DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

State Fiscal Year 2021
Arizona Department of Economic Security
Annual Report

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STATUTORY AUTHORITY

The Arizona State Legislature established the Department of Economic Security (ADES/Department) in 1972 by consolidating multiple state entities to provide an integrated approach to human services. The Department invests approximately $7 billion annually to provide critical and beneficial services to more than 2.9 million Arizonans in need.

In accordance with Arizona Revised Statutes § 41-1960, ADES is required to submit an annual report to the Governor and Legislature that provides information regarding Arizona's economic security needs and resources; the use, training, and placement of manpower; and recommendations for the next Fiscal Year (FY). This report provides statistical information, highlights the current economic conditions within the state, and focuses on the efforts of programs within ADES and its provider networks to deliver services to Arizona's children, adults, and families to ensure that they have an opportunity to live safely and become self-sufficient.

The Department established a True North as part of continuous improvement efforts to serve as a constant reminder of ADES's commitment to serve Arizonans.

ADES TRUE NORTH
All Arizonans who qualify receive timely ADES services and achieve their potential.

The ADES True North is supported by the Department's mission to make Arizona stronger through ADES Programs and services.

ADES MISSION
The Department of Economic Security makes Arizona stronger by helping Arizonans reach their potential through temporary assistance for those in need, and care for the vulnerable.

The Department has established four goals to accomplish this mission:

- Serve Arizonans with integrity, humility, and kindness;
- Support Arizonans to reach their potential through social services that train, rehabilitate, and connect them with job creators;
- Provide temporary assistance to Arizonans in need while they work toward greater self-sufficiency; and
- Provide children with food, health care, and parental financial support; provide services to individuals with disabilities; and protect the vulnerable by investigating allegations of abuse, neglect, and exploitation.

The Department endeavors to fulfill its mission by employing five core values that serve as the foundation for the work performed by the Department:

- **Accountability**: We commit to excellence, innovation, and transparency;

- **Integrity**: We are trustworthy, honest, and reliable;

- **Respect**: We appreciate each other, and value those we serve;

- **Teamwork**: We collaborate with humility, and partner with kindness; and

- **Diversity**: We respect all Arizonans and honor those in need.

ADES had 8,397 employees and operated from 84 direct-service offices, 13 residential facilities, and 20 administrative offices at the end of State Fiscal Year (SFY) 2021. ADES owns 23 of the facilities and leases one of those properties to a private entity. The remainder of ADES locations are leased. The Department is divided into six districts with the central administration located in Phoenix.

The need for ADES services is critical for the individuals, children, and families who make Arizona their home. The Department helps more than 2.9 million Arizonans reach their full potential every year by providing temporary assistance to those in need. The Department's commitment to building the capacity of Arizonans who receive ADES services requires ADES staff to demonstrate the Department's five core values every day through interactions with the public and fellow colleagues.

The Department has approximately 50 programs, housed among five divisions, that provide a wide array of services delivered through offices and staff throughout Arizona, and through a network of community-based providers. The Department works collaboratively with businesses, communities, local and national advocacy organizations, other state agencies, federal agencies that oversee programs, and Tribal nations to deliver services to Arizonans.

The multi-faceted programs within the divisions collaborate to provide other supportive services that provide opportunity, care, and assistance for Arizonans in need and provide temporary

assistance and services to help them reach greater self-sufficiency. Client-facing divisions within the Department include:

- Division of Aging and Adult Services (DAAS);

- Division of Benefits and Medical Eligibility (DBME);

- Division of Child Support Services (DCSS);

- Division of Developmental Disabilities (DDD); and

- Division of Employment and Rehabilitation Services (DERS).

ADES also provides support to staff through the Division of Technology Services (DTS), the Division of Business Services (DBS), and the recently created Division of Financial Operations.

The Department has approximately 6,000 contracts and agreements with non-profit and for-profit organizations, governmental agencies, Tribal governments, and other community partners throughout Arizona. These contracts provide services to Arizonans across the human service delivery continuum and critical operational support to the Department and its staff.

OFFICE OF INSPECTOR GENERAL (OIG)

The ADES OIG's mission is to protect the integrity of ADES Programs and services from fraud, waste, and abuse and to provide security for all individuals at ADES facilities. Despite the significant increase in workload due to the COVID-19 Pandemic, the OIG's seven administrations have worked exceptionally hard to deliver meaningful results and protect the integrity of ADES Programs. OIG is comprised of the following administrations: Investigations, Unemployment Insurance Benefit Fraud, Special Investigations of Public Assistance Benefit Fraud (UIBF), Appellate Services, Internal Audit, Protective Services, and Emergency Planning and Preparedness.

The OIG made significant contributions in SFY 2021. For example:

- The Investigations Administration addressed more than 61,000 investigative referrals and closed 1,149 cases, 127 of which resulted in administrative action and 58 of which resulted in a prosecution.

- The UIBF Administration partnered with more than 100 law enforcement agencies and more than 200 financial institutions worldwide to investigate fraud allegations. From May 2020 through September 2021, UIBF received more than 136,000 fraud referrals, estimated it prevented more than $75 billion in unemployment benefit fraud, recovered $1.4 billion in fraudulent benefits, and submitted more than 200 cases to the Arizona Attorney General's Office (AGO) for prosecution, with more than 100 of those cases resulting in criminal charges.

- The Special Investigations of Public Assistance Benefit Fraud Administration received more than 7,000 referrals, recovered more than $600,000 in fraudulent benefits, and submitted more than 140 cases to the Arizona AGO's for prosecution.

- The Appellate Services Administration (ASA) received more than 57,000 appeals related to Unemployment Insurance (UI) and Public Assistance benefits and rendered a decision on more than 51,000 of these types of appeals.

- The Internal Audit Administration completed 424 audits/projects and provided many recommendations to strengthen various ADES processes and to hold contractors accountable.

- The Protective Services Administration conducted 33 facility security assessments, assisted with the development and installation of closed-circuit television (CCTV) monitoring systems at four ADES office sites, conducted 55 training sessions impacting over 2,600 ADES staff members, and developed and distributed the *Safety and Security Newsletter* to all ADES staff.

- The Emergency Planning and Preparedness Administration was established and began coordinating with federal, state, and local partners in planning a full-scale repatriation exercise to ensure the State's ability to repatriate United States citizens and provide support services to those in need.

OFFICE OF TRIBAL RELATIONS (OTR)

The OTR serves as the single point of contact to address expressed needs for the 22 Indian Nations and Tribes (Tribes) throughout Arizona assisting on a variety of human services issues. The OTR offers guidance, support, and suggestions on various policy issues to ADES, focusing on Tribal Government consultation and cultural awareness, and works to educate program staff about the Tribes strengths, needs and opportunities for partnership and collaborations. Information about the activities and accomplishments of the ADES OTR can be found in the [ADES Tribal Consultation Annual Report](#).

OFFICE OF THE OMBUDSMAN (OMB)

The mission of the OMB is to improve the effectiveness, efficiency, and responsiveness of the ADES Divisions that work with clients by providing assistance and education, dispute resolution, and investigation of complaints received in matters relating to administrative processes and procedures to identify potential individual or systemic issues.

Complaints received by the OMB over the past four FY had begun to decline, which was largely attributed to the implementation of the Arizona Management System (AMS) and the culture of continuous improvement that has been cultivated within ADES. However, since the start of the pandemic, the OMB received a significant increase in complaints, with a total of 36,382 in SFY 2021.

During SFY 2021, 26,885 (74 percent) of the complaints received were handled directly by the Ombudsman staff, and the remaining 9,497 (26 percent) were referred to the appropriate Division Client Advocates for response and resolution.

In SFY 2021, out of the 9,497 complaints that were sent to the Division Client Advocates, a total of 1,109 complaints were received directly by the OMB from clients; 7,188 were received from the Governor's Office; 1,176 were received from the Arizona Ombudsman Citizens' Aide; and 24 were received from other entities.

PARTNERSHIPS

ADES is committed to engaging our valued partners with respect, gratitude, and transparency. Employees from all levels are engaged with partners and stakeholders to coordinate action to achieve the Department's mission.

PROGRAM SERVICES OUTSOURCED THROUGH CONTRACTS

- Shelter and case management services for people experiencing homelessness;

- Shelter and supportive services for victims of Domestic Violence (DV);

- Food and utility supports;

- Independent living and other community-based supports for older Arizonans;

- Caregiver Resource Line to provide access and information to family caregivers for respite care services, caregiver training, and referrals;

- Refugee resettlement services;

- Employment services for the Jobs Program;

- Supplemental Nutrition Assistance Program Career Advancement Network (SNAP CAN), a community-based employment and training partnership providing employment readiness opportunities to eligible SNAP recipients;

- Call centers to provide basic benefit information;

- Pharmacy benefit management for DDD American Indian Health Plan (AIHP) members;

- Child care provided by ADES-contracted centers, group homes, and family child care homes for families that qualify for Child Care Assistance;

- Child care training and technical assistance provided to ADES-contracted child care providers to promote high-quality care;

- Child care resource and referral;

- Educational support for child care professionals through the Professional Career Pathway Project;

- Child support payment processing;

- Employer new hire reporting, which is used to validate employment and the incomes of child support obligors;

- Genetic testing to establish paternity;

- Workforce employment and training programs through the Workforce Innovation and Opportunity Act (WIOA) Title I; including helping employers recruit, develop, and retain qualified employees, and assisting job seekers in the pursuit of employment opportunities;

- Acute, long-term care, and behavioral health services to individuals with developmental disabilities;

- Rehabilitation and vocational services for individuals with disabilities to obtain or maintain employment and independence in the community;

- Central referral system for children referred to the Arizona Early Intervention Program (AzEIP);

- Service coordination and team-based early intervention therapies, supports, and services for children referred to and eligible for AzEIP; and

- Contracted DDD Health Plans (Mercy Care and UnitedHealthcare) provide the physical and behavioral health services, as well as the limited set of Long-Term Services and Supports, including nursing facilities, emergency alert system services, and habilitative physical therapy for members 21 years of age and older. DDD delegated Augmentative and Alternative Communication (AAC) services, supplies, and accessories to the DDD Health Plans effective January 1, 2021, which contributed to providing AAC to DDD members in an effective and timely manner.

BUSINESS FUNCTIONS OUTSOURCED THROUGH CONTRACTS

- Mailroom services;

- Office supply delivery;

- Specialized printing;

- Office-moving services;

- Electronic Benefits Transfer (EBT) card issuance for Temporary Assistance for Needy Families (TANF) Cash Assistance (CA), SNAP, Child Support, and UI benefits;

- Kiosks at local child support offices to collect child support payments;

- Translation and interpretation services;

- Typing and preparation of transcripts for administrative hearings;

- Teleconferencing and digital recording of administrative hearings;

- Telephone systems;

- Data entry of wage data submitted by employers; and

- Call center, claims processing, and system platform support for the UI Program, SNAP, the Low Income Household Water Assistance Program, and the Emergency Rental Assistance Program (ERAP).

BASIC NEEDS

Food Assistance

Food assistance programs available through ADES and its community partners increase food security and reduce hunger by providing children, low-income individuals, and seniors with access to nutritious food. ADES administers the SNAP, The Emergency Food Assistance Program (TEFAP), Commodity Senior Food Program (CSFP), Senior Farmers Markets Nutrition Program (SFMNP), and Women, Infants and Children Nutrition Program (WIC) Farmers Markets Nutrition Program (FMNP), as well as the temporary Arizona Pandemic EBT (P-EBT) Program. The Department also contracts with eight Area Agencies on Aging (AAA) to identify eligible recipients and provide Congregate and Home Delivered Meals.

SNAP

SNAP provides nutrition benefits to supplement the food budget of needy families so they can purchase healthy food and move towards self-sufficiency. In Arizona, SNAP is known as Nutrition Assistance. In SFY 2021, ADES issued $2,099,872,092 in SNAP benefits to a total of 552,945 households, consisting of 1,176,782 persons. The average monthly number of households that received SNAP benefits increased by 10.8 percent compared to the SFY 2020 average. The average monthly SNAP benefits distributed to all households in SFY 2021 went up 60.4 percent compared to the SFY 2020 average.

ADES continues work to ensure general public awareness as well as target communication about the availability of food assistance. Informational sessions regarding the SNAP application process and benefits for inmates at various prison complexes are run by the Arizona Department of Corrections, Rehabilitation and Reentry (ADCRR). Eight SNAP virtual presentations and 80 interviews were conducted in SFY 2021. The Office of Community Engagement collaborated with

the Arizona Food Bank Network to complete outreach activities with college and university students and faculty to announce the new SNAP student exemption and inform them of the required verification. Lastly, DAAS, DERS, and the Arizona Department of Health Services (ADHS) collaborated to hold information sessions to educate community partners on all aspects of SNAP.

Arizona Pandemic EBT (P-EBT)

In addition to receiving nutrition benefits through SNAP, SNAP households as well as non-SNAP households with school-aged children received additional assistance to purchase groceries through the Arizona P-EBT Program. The program, a partnership between ADES, the Arizona Department of Education (ADE), and the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS), was initiated in the last four months of SFY 2020 and continued in SFY 2021. The P-EBT Program was established in the Families First Coronavirus Response Act (P.L. 116-127) as amended by the Continuing Appropriations Act, 2021 and other Extensions Act (P.L. 116-159). It provides financial assistance to households with children who are eligible for free or reduced-priced school meals when schools are either closed or offering full-time or part-time distance learning due to the pandemic. From October 2020 to September 2021, ADES paid $1,007,259,561 for the school year P-EBT, the summer P-EBT and child care. A total of 862,321 students from 583,625 families benefited from this program.

The Emergency Food Assistance Program (TEFAP)

TEFAP is a federally funded program that helps supplement the nutritional needs of low income Americans, including seniors, by providing them with emergency food and nutrition assistance. TEFAP foods are purchased by ADES from the USDA FNS and distributed as Emergency Food Packages and in meals served at Congregate Feeding Sites. In SFY 2021, TEFAP served a total

of 3,319,680 unique individuals, distributing 1,344,361 boxes and provided 4,129,710 meals containing TEFAP food.

Commodity Senior Food Program (CSFP)

CSFP works to improve the health of low-income seniors by supplementing their nutritional needs with a monthly package of food. For SFY 2021, CFSP has a set monthly caseload of 19,929 households (one box per household per month). Foods are purchased by the USDA FNS. Packages include a variety of foods including nonfat dry and ultra-high temperature fluid milk, juice, cereal, rice, pasta, and canned meats, poultry, fish, fruits and vegetables. In SFY 2021, CSFP distributed 210,949 boxes during the year; serving an average of 17,579 households monthly.

The Senior Farmers Market Nutrition Program (SFMNP)

SFMNP is a federal program that works to improve the health of low-income seniors who are at least 60 years of age, whose income is at or below 185 percent of the annual poverty income guidelines, or who are participating in CSFP. Through this program, qualifying seniors may receive one $50 SFMNP voucher booklet that can only be used at Authorized Farmers Markets and Farm Stands to purchase fresh, Arizona-grown fruits, vegetables, and herbs. The market season runs from February through September.

WIC Farmers Markets Nutrition Program (FMNP)

WIC FMNP is a federal program that provides fresh, locally grown fruits and vegetables to WIC participants to expand awareness and use of local produce at farmers' markets for families participating in WIC. WIC is administered through ADHS, and the WIC FMNP Program is associated with WIC, but the FMNP component is administered through ADES. Through this program, WIC households receive $30 voucher booklets that can only be used at Authorized

Farmers' Markets and farm stands to purchase Arizona-grown fruits and vegetables. The market season runs from February to September.

Congregate and Home-Delivered Meals

ADES' AAA partners provide both congregate and home delivered meals for senior clients. Congregate meals provide social interaction, nutrition education and nutritious hot meals in a community setting such as a senior center. The Home Delivered Meals Program includes a wellness check and nutrition education with a nutritious meal delivered to a participating senior's home.

ADES On-The-Spot (DOTS) Project

The DOTS project provides Family Assistance Administration (FAA) services including TANF CA, SNAP and AHCCCS at 25 sites in partnership with community service agencies across the state.

Medical Assistance

As part of an interagency agreement with the Arizona Health Care Cost Containment System (AHCCCS), DBME is responsible for completing the initial and ongoing eligibility and case maintenance activities for applicants and recipients in several AHCCCS Health Insurance groups authorized in the Medicaid Program under Title XIX of the Social Security Act or the State Children's Health Insurance Program under Title XXI of the Social Security Act. These groups include children under age 19 and caretakers of children, pregnant women, young adults leaving foster care, and non-caretaker adults in a variety of circumstances. DBME served 2,211,707 individuals from 1,156,836 households in Medical Assistance in SFY 2021.

Shelter and Housing

Emergency Rental Assistance Program (ERAP)

Funding received through the Consolidated Appropriations Act of 2021 allowed ADES to launch ERAP in February 2021. Additional funding to continue the program was provided through the American Rescue Plan Act of 2021. ADES ERAP provides rental and utility assistance to households outside of Maricopa, Pima, and Yuma counties. Applicants in the aforementioned counties are referred to their respective county or city for assistance. In June 2021, ADES launched the statewide utility assistance program for renters, a sub-program of ERAP in which ADES provides assistance to renters statewide who only need utility assistance. Renters whose incomes are below 80 percent of the Area Median Income for their county, have been impacted by the COVID-19 Pandemic in any way, and are struggling to pay rent or utilities may qualify for up to 18 months of assistance. In SFY 2021, in the first four months of the program, ADES provided $9.1M in assistance to 3,013 households.

Domestic Violence Services

The DV Program collaborates with the Arizona Coalition to End Sexual and DV, community-based organizations and state agencies to coordinate services to DV survivors. The program provides:

- Emergency Shelter (ES) - Short-term housing up to 120 days, and supportive services such as case management. In SFY 2021, the DV Program provided ES to 4,300 adults and children.
- Transitional Housing - Longer term housing for up to two years with supportive services such as case management and legal advocacy. In SFY 2021, the DV Program provided transitional housing to 549 adults and children.
- Mobile and Community Based Advocacy - Provides case management and advocacy services in a safe location. Individuals receiving this service might receive multiple services such as case management, legal advocacy and support groups. In SFY 2021, the DV Program provided mobile and community based advocacy to 12,925 adults and children.

- Housing Intervention - Provides permanent stable housing and supportive services modeled after the United States Department of Housing and Urban Development's Rapid Re-Housing (RRH) intervention. In SFY 2021, the DV Program provided housing intervention to 115 adults and children.

Homeless Services

The ADES Homeless Coordination Office, using a combination of federal and state funds, contracts with not for profit and local government entities to provide Street Outreach (SO), ES, RRH and Homeless Prevention (HP) throughout the state to serve over 25,000 households annually, to help make homelessness a rare, brief, and non-recurring experience in Arizona. The four homeless interventions available through ADES contracts to assist individuals are:

- SO: is an intervention that involves homeless service providers meeting with homeless individuals in the communities where they reside to provide resources. Homeless Services funded SO services for individuals experiencing homelessness in the Balance of State Continuum of Care (CoC) communities--regional collaborations that coordinate housing and services funding for homeless families and individuals.
- The ES Program provides sleeping accommodations, case management, meals, and supportive wrap-around services designed to assist individuals and families in their immediate need and help move them on to permanent housing.
- RRH is a program that provides financial support for rental assistance and rental arrears, rental application fees, security and utility deposits, utility payments, as well as housing stability case management. The program is designed to help households who are experiencing homelessness move as quickly as possible into permanent, stable housing.

- HP is an intervention that provides rental assistance and case management to individuals who have no other resources to prevent homelessness. ADES also collaborates on a statewide level with each of the CoCs to ensure that needs are being assessed and adequately addressed.

Short-Term Crisis Services

Short-Term Crisis Services (STCS) are provided by one of 12 ADES-contracted Community Action Agencies (CAAs) across Arizona. CAAs partner with ADES to provide services to alleviate the causes and conditions of poverty, leveraging Community Services Block Grant and other federal and state funding with local jurisdiction resources to serve 50,926 households. To maximize local impact, CAAs also partner with 671 non-profit agencies, 843 for-profit agencies, 285 faith-based organizations, and 117 school districts, undertaking a broad range of community and economic development initiatives, including financial empowerment training, and the creation of transportation infrastructure in underserved rural areas.

The STCS Program provides help to households experiencing emergent needs that cannot be met with their own income and resources. Services provided by STCS CAA partners may include emergency shelter, case management, eviction prevention, move-in assistance, utility deposits or payments, rent payments, and other special services appropriate for securing and maintaining employment. In SFY 2021, STCS served 959 households.

Utility Assistance

The CAAs also served households through the Low-Income Home Energy Assistance Program (LIHEAP) for utility bills or fuel assistance, with a monthly average of 71 percent of these households containing one or more vulnerable member, which is defined as a member who is elderly, disabled, or a young child. LIHEAP funds were also provided to the Arizona Department

of Housing's Weatherization Program and were used to improve the safety and/or energy efficiency of homes.

Refugee Resettlement

The Arizona Refugee Resettlement Program (RRP) supports and advances the successful resettlement of refugees, who are individuals forced to flee their home countries due to persecution, war, or human rights violations. RRP contracts with public and private organizations to provide culturally competent and linguistically responsive services. The services support successful resettlement and achievement of greater economic self-sufficiency. Most of the contracted services are employment and CA-related and include English language education and case management.

During SFY 2021, RRP served a total of 2,189 refugees and other eligible beneficiaries. This number is significantly lower than projected, due both to the decline in refugee arrivals under the previous Federal Administration and the effects of the COVID-19 Pandemic. Eligible beneficiaries include refugees, asylees, Cuban and Haitian entrants, Special Immigrants from Afghanistan and Iraq, foreign born victims of severe forms of human trafficking, certain Amerasians, and Afghan Humanitarian Parolees. During SFY 2021, RRP implemented a Public Private Partnership (PPP) Program for Refugee Cash Assistance (RCA). RCA administration remains with the RRP and implemented through the local Resettlement Agencies. PPP supports an Office of Refugee Resettlement-funded increase in RCA payment levels from the current $164 to $335 per individual, as well as a differential for those refugees and eligible beneficiaries receiving TANF. This year, RRP was also awarded the Wilson-Fish TANF Coordination (WFTC) Grant. The grant supports improved employment services and outcomes for eligible refugee TANF enrollees. In

SFY 2021, the WFTC Project onboarded five staff members within the DERS dedicated to supporting refugee TANF clients' employment and integration, including their meaningful access to mainstream workforce development resources and objectives. These staff members finished onboarding this year and are ready to serve clients in SFY 2022.

Young Adult Transitional Insurance (YATI)

The YATI workgroup is an interagency workgroup, consisting of ADES, the Department of Child Safety (DCS), and AHCCCS, which serves to address the needs of transition-age young adults leaving foster care. This workgroup met multiple times during SFY 2021, allowing DBME to interface with community partners and explore opportunities for DBME to assist in providing services to transitioning young adults.

CHILD & FAMILY

Cash Assistance

The CA Program, administered by the DBME FAA, is the component of the TANF Program that provides temporary assistance for vulnerable children and families. This includes children residing with parents who are unable to provide for their basic needs, children living in certain foster or kinship arrangements, and adult recipients preparing to enter the workplace. FAA determines eligibility based on state laws and rules, federal laws and regulations, ADES policies and the Arizona TANF State Plan.

FAA identifies and refers individuals required to participate in the TANF Jobs Program to DERS, where the program is administered. TANF CA recipients may also be referred to the ADES Child Care Administration (CCA) to obtain child care services and to the ADES DCSS for child support services. These programs work together to coordinate supportive services that promote the safety, well-being, and self-sufficiency of children, adults, and families.

In SFY 2021, ADES issued $18,767,522 in CA benefits to a total of 12,375 families consisting of 29,148 persons. The average monthly number of families that received CA benefits increased by 9.9 percent compared to the SFY 2020 average. The average monthly CA benefits distributed to all families in SFY 2021 increased 12.8 percent compared to SFY 2020.

Grant Diversion Program

The Grant Diversion Program is an alternative to the traditional TANF CA in Arizona that promotes long-term self-sufficiency through employment. The Grant Diversion Program allows persons with no long-term barriers to employment, who are likely to be employed within a 90-day window, and have a financial need, to qualify for short-term financial assistance. In addition to financial support, Grant Diversion Program recipients may receive employment services and short-term support service funding to resolve one-time issues during the 90-day window, pending employment.

Participation in the Grant Diversion Program is voluntary. An applicant who is potentially eligible for at least one dollar of TANF CA, and who did not participate in the TANF CA Program in the month they applied, or the Grant Diversion Program in the month before they applied for TANF CA, are potentially eligible to receive the Grant Diversion Program benefits. However, a nonparent relative who applies for the TANF CA Program for the needs of a child only is not eligible to receive a Grant Diversion Program payment. A Grant Diversion Program recipient is awarded a lump-sum cash payment equal to three times the full amount of the monthly TANF CA payment for which they would be eligible. An eligible household is limited to one payment within a 12-month period. Grant Diversion payments were made to 3,011 families in SFY 2021. 93 percent of families that received a Grant Diversion payment from July 2020 to February 2021 did not return to the long-term TANF CA within 180 days.

Child Support

The Arizona DCSS provides services to parents and caretakers who receive child support as well as parents who pay child support. Some of the services include obtaining a child support order, collecting child, medical and spousal support from parents who have a court order, and helping unwed parents establish paternity for their child.

In March 2020, DCSS evaluated the service delivery of the program as a result of the overall impacts of the pandemic. Returning stronger for child support means updating the program with short-term and long-term changes so that the division's processes are more effective for the clients served. In an email campaign to DCSS clients, the division shared its short term and long-term improvement plans, as seen below, which will continue to evolve as changes are informed by parents, the child support workforce, and child support industry innovations that emerge in response to the pandemic.

DCSS has found a way to better serve and educate the people of Arizona using its Community Engagement Team. This people-centric group collaborates and creates ongoing statewide partnerships with local community organizations including parenting and fatherhood programs, DV shelters, rehabilitation and family law clinics, parental accountability programs, court programs, faith-based organizations, CAAs, high schools, tribal partners, non-profit organizations, and federal, state, and private correctional facilities. The team educates the public on available child support services and represents DCSS at many community events, resource and wellness fairs, and conferences. The team was able to share child support information with 7,977 people statewide at 400 engagements in SFY 2021. Outreach events were conducted through Google Meets, Zoom, Webex, and Microsoft Teams which helped increase the number of engagements to more state and community partners by reducing travel time.

DCSS received a Procedural Justice-Informed Alternatives to Contempt (PJAC) grant of more than $780,000 from the United States Department of Health & Human Services, Office of Child Support Enforcement (OCSE) to design and implement projects attempting to increase the perception of fairness in child support legal proceedings. DCSS provides enhanced child support services through case management, community partnerships, and referrals to other state agencies for support services. The goal of PJAC is to avoid contempt proceedings leading to

incarceration, court costs, and reliance on public benefits. In SFY 2021, PJAC case managers providing enhanced child support services removed approximately $922,490 in child support arrears. Court officials commented that the involvement of the PJAC case manager is vital to the success of the non-custodial parent who is experiencing difficulties meeting obligations. As a requirement of the grant, DCSS was also tasked with looking at how to work cases when family violence is a concern. DCSS developed training, implemented systems changes, and fostered a partnership with the Arizona Coalition to End Sexual and DV with the goal of providing financial hope to DV survivors. Additionally, the Western Intergovernmental Child Support Engagement Council recognized DCSS with the 2020 Making a Difference Program Award for creating policy and system changes as well as providing education for case managers who can help survivors of DV obtain child support as safely as possible.

DCSS is federally charged to oversee the statewide administration of Arizona's Voluntary Paternity Program. The Hospital Paternity Program (HPP) works collaboratively with hospitals and birthing facilities throughout Arizona, the ADHS Bureau of Vital Records, and each county's vital registration office to provide paternity establishment services for unmarried couples immediately following the birth of their child. This collaborative effort established paternity for 34,337 children born in Arizona to unwed parents in SFY 2021. HPP has continued their efforts to facilitate virtual workshops and compliance reviews and extended the outreach efforts to County and State Vital Registry via Google Meets or telephone. Annually, states are required to submit an Annual Data Report to the Federal OCSE. In FFY 2020, Arizona ranked number one in the nation in the paternity establishment performance measure.

Child Care

The CCA provides Child Care Assistance to eligible families who participate in employment activities and specific education and training activities related to employment by providing financial

support intended to offset a portion of child care costs. This financial support allows families better access to high-quality, early care, and education settings for their children. Child Care Assistance is also available for children who are involved with DCS due to child abuse or neglect, and families with children experiencing homelessness. In SFY 2021, the Department reimbursed child care providers a total of $212.9 million in Child Care Assistance, equating to 59,784 children and 34,707 families.

During SFY 2021, Arizona received approximately $1.3 billion in supplemental Child Care and Development Fund funds for child care providers to prevent, prepare for, and respond to COVID-19, and expanded flexibility to provide Child Care Assistance to families and children through the following federal relief laws: the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020; the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020; and the American Rescue Plan Act in March 2021.

With these funds in SFY 2021, CCA has developed Arizona's Child Care Recovery Plan focused on four key priorities:

- Expanding access to care;
- Investing in quality;
- Stabilizing the child care network; and
- Accelerating educational support and early childhood literacy.

Incorporated in Arizona's Child Care Recovery Plan is direct support for providers and families through scholarship and grant programs. Licensed and certified child care providers statewide are eligible for the Child Care Stabilization Grant Program that provides a flat payment each month, based on licensed capacity. These funds may be utilized for a variety of expenses aimed at staff recruitment and retention, and other expenses associated with the challenges caused by the COVID-19 Pandemic.

In December 2020, the Essential Workers Child Care Relief Scholarship (EWCCR) Program was introduced to assist frontline essential workers with their Child Care needs. The EWCCR Program provided assistance to 6,606 families, serving a total of 11,134 children through September 2021. In June 2021, the Child Care for Returning Workers (CCFRW) Program was introduced to assist individuals with children who were transitioning from receiving unemployment benefits to a new job by providing three months of Child Care Assistance. The CCFRW Program provided assistance to 742 individuals, serving a total of 1,214 children.

DISABILITIES

Developmental Disabilities

DDD helps empower Arizonans with developmental disabilities to lead self-directed, healthy, and meaningful lives. ADES supports and serves over 46,000 people with developmental disabilities throughout Arizona. DDD offers habilitation, attendant care, employment, residential, and support coordination services to eligible members. The majority of DDD members are also eligible for long-term care services through the Arizona Long Term Care System (ALTCS). ADES continues to focus on providing services to members and families in their own homes and communities. Most DDD services are delivered by a statewide network of individual and Department providers with 99 percent of individuals served either in their home or other community settings.

During SFY 2021, DDD continued work related to its Current 2 Future (C2F) initiative five-year plan. The C2F goals are to create a culture of compliance and continuous improvement within DDD that will enhance operations and ensure delivery of high-quality services and support to members. The items identified in phase one focused on resolving outstanding AHCCCS contract compliance issues as well as launching the Person-Centered Service Plan (PCSP) for members, improvements to the Tribal Health Program (formerly known as the AIHP), and improving the staff experience within DDD.

DDD was released from its Notice to Cure related to the vendor call process and continues work to resolve the remaining regulatory compliance issues. DDD began the implementation of a new planning document, the PCSP, at the end of SFY 2021. The PCSP is more member focused and assists Support Coordinators to help align services with each member's individual goals and needs.

DDD will be integrating the Tribal Health Program with AHCCCS' American Indian Health Program to ensure that American Indian members have timely access to physical and behavioral health services, including services for individuals with Serious Mental Illness and individuals eligible for Children's Rehabilitation Services. The target implementation date is April 1, 2022, and DDD will continue to maintain oversight of the program in SFY 2022. DDD continues to collaborate with Tribal stakeholders to ensure they are aware of the planned integration. DDD also continues to look for ways to improve the staff experience in order to increase employee retention and job satisfaction.

After a year delay as a result of the COVID-19 public health emergency, DDD, with the support of AHCCCS, has been educating support coordinators, members, families, and providers about the requirement to implement Electronic Visit Verification (EVV). EVV tracks and monitors service delivery, ensuring timely access to care for members. Providers delivering specific services are required to participate in EVV, including paid family direct care workers. EVV is a mandatory, federal requirement and all individuals who receive services from AHCCCS must participate. DDD helped prepare its Qualified Vendor network, independent providers, and members for EVV implementation so as to ensure compliance and timely payment of claims for services provided.

Additionally, DDD completed multiple recommendations made by Governor Ducey's Abuse and Neglect Prevention Task Force to help Arizona prevent abuse, neglect and exploitation of vulnerable populations including individuals with developmental disabilities. DDD was the lead on

several of the recommendations and in SFY 2021, and published resources, educational materials, and training for members, families, and providers related to preventing, recognizing and reporting suspected abuse, neglect and exploitation. DDD also implemented a value based payment structure to help provide reimbursement for providers to deliver staff member training. DDD worked with AHCCCS, other Managed Care Organizations, and community stakeholders in developing all deliverables related to these recommendations.

As a method to better connect with the member, family and stakeholder community, DDD formed an advisory group that meets quarterly with the Assistant Director and other DDD leaders. This group is composed of self-advocates, advocates, family members, Qualified Vendors and other community members. The goal of this group is to gather feedback from a diverse stakeholder community to help guide DDD resource planning as well as identify improvement opportunities related to DDD operations and services.

Finally, DDD in the course of its every day work provided housing assistance, behavioral health advocacy, general member support, and other benefits that are outlined in the Division's Family Support Program Annual Report.

Early Intervention Program (AzEIP)

ADES is Arizona's lead agency under Part C of the federal Individuals with Disabilities Education Act (IDEA) and established AzEIP to oversee a comprehensive, coordinated statewide system of early intervention services to infants and toddlers from birth to three years old who have disabilities. Services are also provided for the infants' and toddlers' families. AzEIP services are provided by contractors and service providers, including DDD and the Arizona State Schools for the Deaf and the Blind. AzEIP served 10,559 infants and toddlers through the development and implementation of Individualized Family Service Plans and transdisciplinary collaboration during

SFY 2021. Prior to the COVID-19 Pandemic, AzEIP received a monthly average of 1,465 referrals. During SFY 2021, however, with an increase of families staying at home, there was a sharp decrease resulting in a monthly average of 1,282 referrals.

According to the [AzEIP Annual Performance Report](#), which is submitted to the United States Department of Education, Office of Special Education Programs, AzEIP continues to improve its compliance and results outcomes. In SFY 2021, over 66 percent of families who received services achieved greater than expected growth toward the global outcomes of positive social relationships, which was in line with the last reported national average, resulting in AzEIP contributing to the overall improvement of outcomes for children eligible for the program. The services provided to families with infants and toddlers with disabilities significantly reduces the potential need for intensive services later in life.

AzEIP collects data regarding family outcomes and reports the data publicly both on an annual basis and upon a family's exit from AzEIP. During SFY 2021, AzEIP exceeded the last reported national average with over 93 percent of families reporting they knew their rights, over 93 percent reporting services had helped them effectively communicate their child's needs, and over 95 percent reporting that AzEIP services assisted the family with helping their child learn and grow.

In addition to compliance and outcome improvements, AzEIP demonstrated significant and meaningful stakeholder engagement to ensure a multi-system lens is applied in the implementation of services. AzEIP has an Interagency Coordinating Council (ICC) composed of family members, AzEIP service providers, and state agency representatives to advise and assist implementation of early intervention systems and services. The ICC and AzEIP staff completed additional materials to help engage families and support their transition from AzEIP into special education preschools, engage with service providers to implement best practices, and understand the impact of AzEIP on families served.

AzEIP focuses on improved efficiency, particularly around data available within other state agency systems. AzEIP engaged with ADHS in a data-linking project to ensure that children with identified hearing loss at birth are referred to AzEIP and begin services more quickly after diagnosis. Additionally, AzEIP continues to collaborate in the implementation of data-linking with the ADE to ensure a smooth transition from IDEA Part C to Part B Special Education services.

AzEIP has been engaged with the Early Childhood Personnel Center since 2018 as an Intensive Technical Assistance state. This partnership will help Arizona achieve the goal of having a Comprehensive System of Personnel Development (CSPD) with highly qualified personnel to improve outcomes for children ages 0-8 and their families. AzEIP engages with partners from all of Arizona's state universities, early childhood programs at community colleges, various state agencies, and families of children with disabilities. As a result of this work, AzEIP continues to remove barriers of communication across Department and other agency lines so families can access needed support. AzEIP staff and leaders within CSPD presented at national conferences and mentored other state leaders regarding the implementation of the CSPD. AzEIP hired a CSPD Coordinator, which will help ensure the long-term stability and sustainability of the Arizona CSPD.

The COVID-19 Pandemic significantly impacted AzEIP in SFY 2021. AzEIP has seen an overall decrease in referrals, resulting in fewer families being served through the program. The decrease in referrals is somewhat attributable to a decrease in the number of families attending regular well-child checkups and participating in child care, Head Start, and other home visiting programs, which are the most common ways families receive screening for developmental delays. Social distancing as a result of COVID-19 has led to fewer social activities, which is a common opportunity for parents to notice differences in their child's development from that of other children. However, as the pandemic has progressed, families have begun to reengage in well-child visits, other early childhood services, and social activities with other families. The number of AzEIP

referrals have started increasing as a result, but can fluctuate greatly depending on community spread, positivity rate, and fear over new variants.

Through the initial stages of the COVID-19 Pandemic a new task force was created to support AzEIP in providing quality services to infants and toddlers with disabilities and their families. This resulted in AzEIP service delivery through alternative means, including virtual visits, although providers have now resumed limited in-person services. Many families indicate AzEIP's alternative service provisions during the COVID-19 Pandemic sufficiently met their needs. Based on this understanding, AzEIP and its contractors have implemented a campaign to contact families and potential referral sources in order to ensure the community knows AzEIP is accepting referrals and continuing to provide services.

Achieving a Better Life Experience (ABLE)

ABLE account programs are investment programs that offer persons with disabilities and their family and friends the option to contribute to a tax-exempt savings account for disability-related expenses. Arizona ABLE accounts are open for enrollment to all eligible Arizona residents with a disability.

ABLE account funds can be used for disability-related expenses that enhance the person's quality of life. ABLE account funds can be used to supplement (not supplant) state (AHCCCS) and federal (Social Security) benefit program supports and services. As of June 30, 2021, there were 1,131 active AZ ABLE accounts with a total of $9,442,173.28 in Assets Under Management and an average account balance of $8,916.12.

Workforce Innovation and Opportunity Act (WIOA)

The WIOA (WIOA; P.L. 113-128), is the primary federal workforce development legislation and was enacted in July 2014 to bring about increased coordination among federal workforce development and related programs. WIOA's purpose is to strengthen and improve our nation's public workforce system; help place job seekers and workers into high-quality jobs and careers; and help employers hire and retain skilled workers.

Arizona's coordinated workforce system, branded ARIZONA@WORK, aligns workforce investment, education, and economic development systems to support a comprehensive, accessible, high–quality system to serve businesses and job seekers. ADES administers three of the four WIOA Core Programs through DERS, serving businesses and job seekers, while prioritizing veterans and individuals with barriers, such as low-income individuals, individuals involved in the court system, and individuals with disabilities. ADES collaborates with the ADE, which administers adult education and literacy services. ADES and ADE are represented on the Governor's Workforce Arizona Council, which sets the strategic direction for ARIZONA@WORK.

As part of the statewide workforce system, DERS plays an integral role in improving Arizona's workforce by assisting individuals who are unemployed and underemployed, and those with barriers to employment, to prepare for and obtain gainful employment. DERS supports Arizona employers with recruitment assistance by connecting them to a skilled workforce. In SFY 2021, there were 41,013 job placements among the Workforce Development Programs and ARIZONA@WORK partners.

ADES is designated as the administrative and fiscal oversight agency for WIOA Title I funds and oversees the contracts with local governments in the 12 Governor-designated Local Workforce

Development Areas (LWDA). Each LWDA is overseen by a Local Workforce Development Board (LWDB) that determines the strategy for the region across ARIZONA@WORK Programs. The LWDBs administer contracts for services to Adults, Dislocated Workers (DWs), and Youth. WIOA Title I Adult and DW Programs provide services that include career planning, structured job search, resume assistance, job referrals, employment history and skill assessment, training services, and supportive services. Individuals identified as needing additional training to be able to secure employment may be eligible for training services. The WIOA Title I Youth Program focuses on youth ages 14 to 24 with barriers to employment and out-of-school youth by providing an array of services that prepare youth for postsecondary education, training, or employment. The youth services include career planning, comprehensive guidance, counseling, tutoring, and summer employment opportunities. Work experiences include summer employment opportunities, pre-apprenticeships, internships, on-the-job training, or occupational skills training, and other supportive services. The WIOA Title I Adult, DW, and Youth Programs served 9,561 adults; 1,790 DWs; and 4,159 youth in SFY 2021. Additionally, over 8,800 WIOA participants exited a WIOA Title I Program with an employment success rate of 70.5 percent and an average wage of $6,684 per quarter.

The Eligible Training Provider List (ETPL) consists of approved educational providers who offer training services to meet the skill and educational development needs of Adult, DW, and Out-of-School Youth Program participants. Each Eligible Training Provider (ETP) Program is evaluated by the LWDB ETPL approver using criteria that ensures the program meets the demand for occupations in the LWDA, aligns with the sector strategies and respective local plans, allows for informed customer choice prior to being approved for the ETPL, and results in certification or accreditation. There were 237 ETPs and 1,201 training programs (53 initial programs and 848 subsequent programs) active on the ETPL, which included programs in both rural and metropolitan areas, as well as online training.

Due to the COVID-19 Pandemic, the State ETPL Coordinator conducted outreach to training providers to successfully support the shift from in-person training to virtual training to ensure consistency of training completion and employment opportunities for over 2,200 program participants, including 239 WIOA Program participants.

Upgrades to the Arizona Job Connection (AJC) system were implemented in February 2021 to improve ease of use for public access, consumer choice, and ARIZONA@WORK partners.

Employment Supports

Employment Service

The Title III Wagner-Peyser Program, also known as Employment Service, provides basic and individualized career services to job seekers and job development services to Arizona employers. The ADES Employment Service improves the functioning of Arizona's labor markets by bringing together individuals seeking employment with employers seeking workers. A core partner in the ARIZONA@WORK system, the Employment Service co-locates in job centers and in a virtual capacity with other network partners across the state and aligns performance accountability indicators with other federal workforce programs. Basic services include skill assessment, labor market information, AJC registration, job posting assistance, referrals to support service programs and job search and placement assistance. Individualized services include career and vocational counseling. Veterans and their eligible spouses receive priority of service. The Employment Service served 20,170 individuals in SFY 2021.

Reentry Program

Reentry employment readiness services are also provided, via ADES and ARIZONA@WORK workforce specialists, in partnership with the ADCRR to help previously incarcerated job seekers overcome barriers to employment. Readiness services include resume assistance, interview preparation, AJC registration, job search assistance, and onsite hiring events with local

employers. The Reentry Program provides employment services both before and after release from incarceration. The Reentry Program serves incarcerated and formerly incarcerated individuals, including inmates, parolees, probationers, and post-release individuals requiring assistance. In-prison services are provided through Second Chance Centers located at three ADCRR facilities in Buckeye, Goodyear, and Tucson, and services for veterans are also provided at the Whetstone Unit in Tucson.

The Resource, Education, and Development (RED) Program was created and began operation in July 2020, in order to provide virtual services during the temporary, COVID-19 related hold on in-person Second Chance Center services. The RED Program had approximately 415 graduates in SFY 2021. In-person Second Chance Center services were resumed again in July 2021.

The Community Based Reentry Centers (CBRCs) provide employment services at all parole sites in Arizona, virtually or in-person. The CBRCs served approximately 5,200 individuals in SFY 2021, with 2,300 placed into employment. The number of Reentry Program Second Chance employers who offer employment opportunities to those who are incarcerated or were formerly incarcerated has grown to 240 employers, an increase of 50 percent from SFY 2020.

TANF Jobs Program

The TANF Jobs Program is the mandatory employment and training program for work-eligible individuals in households receiving TANF CA. The program engages people in a variety of work-related activities to increase their employable skill set and also offers supportive and specialized services to remove barriers to employment and promote self-sufficiency. The TANF Jobs Program's case management and employment services are operated by two private-sector vendors serving all of Arizona.

In response to a federal and state declaration of emergency and guidance issued by the Administration for Children and Families, Office of Family Assistance, and the provisions contained in the enacted state human services budget reconciliation bill for 2020-2021 (Laws 2020, Chapter 53), a general waiver of work requirements was instituted, effective March 1, 2020, for all TANF Jobs Program participants, and remains in effect until further notice. All TANF Jobs Program Participants are voluntary until the waiver is lifted. The Jobs Program served 6,439 participants in SFY 2021, of which 1,593 became employed, with 63 percent of those employed retaining employment for 90 days or longer.

SNAP CAN

SNAP CAN is Arizona's community-based employment and training program that provides employment readiness services to eligible SNAP benefit recipients. Services are provided through SNAP CAN providers, partners of ADES who are dedicated to connecting program participants to the tools and resources they need to overcome barriers and to obtain employment. SNAP CAN helps SNAP participants to acquire skills, training, and work experience to increase their employment opportunities and ultimately to achieve economic self-sufficiency. Additionally, the program offers a way to allow SNAP recipients to meet SNAP work requirements. Providers in the community provide participants the best opportunity to succeed and help SNAP participants to move more quickly into employment. The average monthly number of SNAP recipients receiving employment and training services in SFY 2021 was 1,593, with 1,077 placed in employment over the entire year.

Vocational Rehabilitation

The Rehabilitation Services Administration (RSA) assists individuals with disabilities in achieving employment and independence. Throughout SFY 2021, RSA continued to offer in-house and

contracted services through remote and virtual methods. In SFY 2021, there were 12,778 participants in the Vocational Rehabilitation (VR) Program who received disability-related employment services under an Individualized Plan for Employment, and 1,325 individuals who gained Competitive Integrated Employment (CIE) as a result of participation in the VR Program. These individuals worked an average of 30 hours per week and earned an average hourly wage of $14.91. The VR Program continues to serve all clients without the use of a waitlist.

RSA maintains several key partnerships to support the provision of enhanced employment services to individuals with disabilities. An Interagency Service Agreement (ISA) with AHCCCS details the coordination and provision of services to support individuals determined to have a Serious Mental Illness in taking their rightful place in the workforce and community. The SFY 2021 ISA budget was $9.4 million, with AHCCCS matching 21.3 percent of federal funds. This funding covered operating and client expenditures, which included 49 specialty Behavioral Health VR counselors who were assigned to behavioral health clinics throughout the state. 3,375 individuals were served under this agreement and 253 of these individuals obtained employment.

RSA partners with school districts throughout Arizona to provide structured and goal-oriented vocational and educational activities that prepare students with disabilities for employment. The VR Program works to engage students with disabilities as early as possible within their high school experience for the purpose of providing Pre-Employment Transition Service (Pre-ETS). Pre-ETS are specific career exploration and job readiness services that are available to all students with disabilities between the ages of 14-22 who are eligible, or potentially eligible for the VR Program. Pre-ETS topic areas include: Job Exploration Counseling; Work-Based Learning; Counseling on Post-secondary and Training Opportunities; Work Readiness Training; and Instruction in Self-Advocacy. In addition, in SFY 2021, RSA utilized Transition School to Work (TSW) agreements to partner with 32 high school districts and provide enhanced services to 3,967 students who were

eligible for the full array of VR services. RSA's collaboration with high school districts that did not have TSW agreements allowed for an additional 1,060 students to be served. As a result of RSA's efforts, a total of 5,027 students with disabilities received VR services in SFY 2021.

RSA also partners with DDD to support mutual clients in obtaining CIE. 539 members were served by RSA in SFY 2021, and 43 of these individuals obtained employment. The average hourly wage for those who obtained employment was $12.56 and individuals worked an average of 24 hours per week.

The DDD endeavors to provide job training services to DDD members so that members successfully achieve CIE with the help of the DERS VR Program in line with Arizona's Employment First philosophy. DDD and the VR Program collaborate to help DDD members prepare for and obtain CIE. DDD and VR partnered with the University of Arizona Sonoran University Center for Excellence in Developmental Disabilities to develop a tool for employment professionals, families, and people with disabilities to use in preparation for employment. DDD and VR developed a Service Coordination Job Aid to help staff understand the purpose of each agency, the services provided, and ways to collaboratively support members to achieve integrated employment. DDD staff referred 420 DDD members to the VR Program for services related to CIE during SFY 2021, of which 179 were determined eligible for VR services and 70 DDD members obtained CIE.

During the COVID-19 Pandemic, DDD continued to allow DDD Qualified Vendors to temporarily provide employment and other habilitative services using telehealth. Members were assessed to determine if virtual services would help them achieve their employment goals.

Trade Adjustment Assistance Program

The Trade Adjustment Assistance (TAA) Program provides all eligible workers determined to have lost their jobs as a result of outsourcing to other countries with opportunities to obtain the skills, credentials, resources and support necessary to become reemployed. The goal of the TAA Program is to help trade-affected workers return to suitable employment as quickly as possible. The TAA Program is operated by the United States Department of Labor's (U.S. DOL) Employment and Training Administration and is administered by ADES in Arizona.

Eligible TAA participants may access certain benefits, under the Trade Act of 1974, as amended, which governs their certification. Due to program reauthorizations, there are multiple versions of the TAA Program. Individual benefits and services vary depending on provisions available under a specific certification. The TAA Program's benefits and services may include reemployment and case management services, occupational or on-the-job training, education, income support for those participating in TAA-funded training, a wage subsidy for reemployed workers aged 50 years or older and earning less than their layoff wage, an out-of-area job search allowance, relocation allowance, and a Health Coverage Tax Credit.

During SFY 2021, the TAA Program served 107 individuals. For those who participated in TAA funded training, 81.8 percent completed training with a degree or industry recognized credential. The entered employment rate for TAA participants in the second quarter after exit was 70 percent, while the entered employment rate in the fourth quarter after exit was 73.9 percent.

Migrant Seasonal Farm Workers Outreach Program

The Migrant and Seasonal Farmworker (MSFW) Program assists MSFWs and English Language Learners to make career and labor market decisions that will help them achieve economic self-sufficiency and improve their living and working conditions, offering supportive services to these individuals while they work in agriculture and, in some cases, helping them to acquire new skills for jobs offering better pay. MSFW outreach specialists have an extensive background in farm

work to ensure they are aware of and sensitive to socioeconomic and cultural issues affecting agricultural communities. In SFY 2021, the outreach teams visited 140 domestic farms, resulting in a 318 percent increase in field visits from SFY 2020. Out of these 140 field visits, 109 were to farms that the Outreach Team had not previously visited. Arizona's MSFW Outreach workers, along with National Farmworker Jobs Program partner, Portable Practical Educational Preparation (PPEP), and with the Arizona Migrant Education Program (MEP), Chicanos Por La Causa, and the Arizona Alliance for Community Health Centers (AACHC), contacted 40,048 Farm workers during SFY 2021. The MSFW Outreach Team conducted a total of 63 co-outreaches with PPEP, MEP, and AACHC in SFY 2021, reaching more farmworkers than the program has reached in recent years.

Veterans

The primary objective of veterans services is to develop and support programs that increase opportunities for veterans employment and job training in Arizona. Eligible veterans are entitled to receive priority of service when accessing WIOA Adult, DW, Youth, and Employment Services.

The Jobs for Veterans State Grant (JVSG) provides federal funding for dedicated staff to serve veteran populations: The Disabled Veterans' Outreach Program (DVOP) Specialist provides individualized career and training-related services to veterans and eligible persons with Significant Barriers to Employment (SBE); veterans with barriers include homeless veterans and VR clients. Local Veterans' Employment Representatives (LVERs) conduct outreach to employers and business associations and engage in advocacy efforts to increase employment opportunities for veterans and encourage the hiring of disabled veterans. During SFY 2021, LVERs provided services to more than 3,600 new and existing employers. With each employer LVERs completed a resume search in order to match the best qualified candidate to the open position.

Through a partnership with the Arizona Department of Veteran Services (ADVS), employment supports (tools, clothing, or other essential items to start employment) are available with the use of a veteran "tool kit". Additional services are made available through a referral process to other veteran-focused organizations. During SFY 2021, JVSG served 1,285 veterans with SBE. Of those, 934 were placed into employment and 136 received the ADVS Toolkit.

UI Benefits

In Arizona, workers who are unemployed through no fault of their own and earned a sufficient amount in covered employment, meaning their employer was required to pay UI tax, are eligible to receive up to $240 per week in UI benefits, up to a maximum of 26 times the individual's weekly benefit amount per year. To be continuously eligible for UI, an individual must be able and available to work and must actively search for work each week, accepting an offer of suitable work if one is received.

During SFY 2021, in response to the COVID-19 Pandemic, ADES implemented flexibilities for UI eligibility, as authorized by state and federal law. These included expanding the circumstances under which an individual could be considered able and available to work, waiving the "waiting week" normally required to receive UI, and waiving the requirement to search for work. These flexibilities were rescinded with Executive Order 2021-12, on May 3, 2021. ADES also continued to pay up to 20 weeks of Extended Benefits (EB) to individuals who had exhausted their regular UI benefits, until April 17, 2021, when Arizona's improving economic conditions caused the EB period to end in accordance with statute.

The ongoing COVID-19 Pandemic caused the federal government to enact two laws during SFY 2021--the Continued Assistance Act of 2020 and the American Rescue Plan Act of 2021-- amending the CARES Act of 2020. These laws extended and reimplemented existing federal unemployment compensation programs, including Pandemic Unemployment Assistance (PUA),

available to certain individuals who had exhausted or were ineligible for all other unemployment benefits; Pandemic Emergency Unemployment Compensation (PEUC), and extension to regular UI; and Federal Pandemic Unemployment Compensation (FPUC), the supplementary weekly payment for claimants receiving an underlying unemployment benefit. The Continued Assistance Act also created a new Federal Unemployment Compensation Program, Mixed Earner Unemployment Compensation, which provided certain individuals receiving regular UI, EB, or PEUC, who also had income from self-employment, with a $100 supplementary weekly benefit from December 27, 2020 until July 10, 2021.

Additionally, on August 8, 2020, the President signed a Presidential Memorandum establishing the Lost Wages Assistance Program (LWAP), which made Federal Emergency Management Agency grant funding available to states and territories. LWAP provided an additional $400 per week to individuals receiving benefits from an underlying unemployment program and was available from August 1, 2020 through September 5, 2020.

OLDER ADULTS

Adult Protective Services

Adult Protective Services (APS) receives and investigates allegations of abuse, neglect, and exploitation of vulnerable adults, defined in statute as an individual age 18 and older, who is unable to protect themselves due to a physical or mental impairment or who a court has deemed incapacitated. Additionally, APS responds to reports of self-neglect in which a vulnerable adult is alleged to be unable to obtain essential food, shelter, clothing, and other goods and services to maintain minimum physical and mental health due to a physical or mental impairment.

APS received 23,658 new reports alleging maltreatment during SFY 2021, which was a 17 percent increase from SFY 2020 and in alignment with the trending increase of prior years. As reports

may have multiple allegations, the overall number of allegations, including allegations made on existing reports, received by APS totaled 27,365 during SFY 2021, with abuse allegations comprising 19 percent; neglect allegations comprising 27 percent; self-neglect comprising 27 percent; and exploitation allegations comprising 26 percent.

Significant legislation to protect vulnerable adults went into effect during SFY 2021 with the signing of Arizona House Bill 2535 as an emergency measure by the Governor on May 10, 2021, which added "health professional," including licensed chiropractors, dentists, behavioral health professionals, veterinarians, naturopathic physicians, physician assistants, physical therapists, athletic trainers, and massage therapists, to the list of individuals mandated to report abuse, neglect, and exploitation of a vulnerable adult.

In March 2020, an APS Action Plan was released in response to recommendations from the Abuse and Neglect Prevention Task Force and feedback from a community stakeholder meeting hosted by APS and the ADHS that included vulnerable individuals, their families, and the organizations that support them. The APS Action Plan outlines strategies and actions to strengthen the Arizona APS Program. During SFY 2021, the APS Program continued its efforts to implement the strategies and activities outlined in the APS Action Plan.

In response to recommendations concerning the investigation of self-neglect reports, the APS Program was restructured to include specialized units with investigators dedicated to responding to reports of self-neglect, and APS investigator training for cases of self-neglect was conducted, discussed in the "Training" section below. As part of the APS Action Plan to increase awareness of vulnerable adult maltreatment and self-neglect, APS developed and staffed an APS Community Outreach Coordinator position in SFY 2021 to provide program-specific presentations to community partners, providers, and stakeholders. The presentations focused on an overview of APS and a specially-developed Arizona APS Mandated Reporter Training. The APS Community

Outreach Coordinator delivered the presentations to several community partners across the state, including fire departments, law enforcement, medical professionals, AAAs, AHCCCS Leadership, Arizona Prosecuting Attorneys' Advisory Council, Financial Planners of Arizona, and DDD. The Mandated Reporter Computer-Based Training (CBT) is available at [Training, Education, and Outreach | Arizona Department of Economic Security](#). Participants receive an email to serve as proof of completing the CBT.

Home and Community Based Services

Non-Medical Home and Community-Based Services (NMHCBS) provides help with daily activities while allowing many individuals to remain in their own homes or live with their families by reducing the need for institutional care.

Services include:

- Adult day care;
- Adult day health care;
- Attendant care;
- Case management;
- Community nursing;
- Home delivered meals and meals at senior centers;
- Home health aide;
- Home nursing;
- Home repair and adaptation;
- Housekeeping;
- Personal care;
- Respite care; and
- Transportation.

NMHCBS are designed to establish the necessary support services to retain functionally impaired individuals within their communities and avoid premature institutionalization. The NMHCBS system is a case-managed system, where case managers use a strength-based approach and integrate client preferences and goals to determine eligibility and need, authorize services, arrange for the provision of services, and monitor the services. The Department contracts with eight AAAs to identify eligible recipients and provide services, such as home-delivered meals, personal care, homemaker services, and case management. The Department provided NMHCBS to 50,144 vulnerable older adults to help maintain their independence and avoid costly institutionalization in SFY 2021.

Health Promotion Programs

Health education and disease prevention programs provide services and education to assist individuals with maintaining chronic conditions, such as but not limited to, diabetes, arthritis, and heart disease and minimize health-related risk factors associated with aging. The evidence-based programs provide support and information on how to manage ongoing health problems and include physical activity classes such as EnhanceFitness, Tai Chi for Arthritis and A Matter of Balance.

Medicare Assistance

The State Health Insurance Assistance Program (SHIP) is an independent program funded by the United States DHHS, Administration for Community Living (ACL), and serves to empower, educate, and assist Medicare-eligible individuals, their families, and caregivers through objective outreach, counseling, and training to make informed health insurance decisions and optimize access to care and benefits. The Arizona SHIP provided one-on-one assistance to 21,382

Medicare/Medicaid beneficiaries, and over 95 public events were held virtually and attended by over 3,536 individuals during SFY 2021. Arizona's SHIP is instrumental in:

- Presenting and distributing information on Medicare benefits, coverage rules, written notices and forms, appeal rights and procedures;
- Assisting individuals with obtaining coverage through options including Medicare, Medicare Advantage Part C Plans, and programs designed to help people with limited incomes pay for their healthcare. Programs for low-income individuals include Medicaid, the Medicare Savings Program, and the Low-Income Subsidy. The SHIP also helps individuals compare Medical Supplemental (Medigap) insurance policies and explains how the supplemental insurance options work in conjunction with Medicare; and
- Providing information on long-term care insurance and referring individuals to the Social Security Administration and local Medicaid offices for additional assistance, when needed. Many SHIP counselors are volunteers trained and certified to assist older adults and individuals with disabilities.

Legal Services Assistance

Arizona's Legal Assistance Program was established under the federal Older Americans Act to offer information, advice, assistance, and advocacy to persons 60 years of age and older. The goals of the program are to promote and preserve the autonomy, dignity, independence, and financial security of older persons; provide access to the justice system; and advocate for the preservation of the rights and benefits of older persons.

Legal Services include:

- Advanced Directive (Power of Attorney)
- Wills/Trusts

- Landlord - Tenant Issues

- Fraud and Abuse

- Guardianship

- ALTCS Application Assistance

- Various non-criminal legal matters

The Legal Assistance Program served 3,863 clients during SFY 2021 and anticipates future growth through outreach to assisted living facilities and senior centers. The program was able to serve clients through innovative techniques at the height of COVID, including drive through legal counseling as well as video calls.

Family Caregiver Support

The National Family Caregiver Support Program in Arizona strengthens families by providing five core services:

- Information to caregivers about available services;

- Assistance to caregivers in gaining access to the services;

- Individual counseling, organization of support groups, and caregiver training;

- Respite care; and

- Supplemental services, on a limited basis.

The FCSP assists unpaid and informal family caregivers, older relative caregivers, and grandparents raising grandchildren with appropriate support services that enable caregivers to continue safely providing care for their loved ones at home. Additionally, representatives attend the Recognize, Assist, Include, Support, and Engage (RAISE) Family Caregiving Advisory Council and Advisory Council to Support Grandparents Raising Grandchildren to ensure the State Plan on Aging and policies are complementary to the national recommendations, and the division also

partakes in responding to family caregiver needs. The AAAs provided support services to caregivers in SFY 2021 and continue to explore innovative programs to meet caregivers where they are.

The Arizona Family Caregiver Reimbursement Program launched statewide on January 1, 2020 and provides family caregivers up to 50 percent reimbursement for home modifications and assistive care technology, to a maximum of $1,000. The top three reimbursed expenditures were bathroom remodels, hearing aids, and wheelchair ramps.

Senior Community Service Employment Program

The Senior Community Service Employment Program (SCSEP), also known as the Mature Worker Program, assists low-income, unemployed individuals aged 55 years or older in finding employment. The program, provided locally by the American Association of Retired Persons (AARP) Foundation, matches eligible mature adults with community service and work-based job training opportunities to help build skills and experience that lead to permanent employment and greater self-sufficiency. In SFY 2021, SCSEP served 88 participants with an average duration of participation of 22.1 months.

Participants in the program receive supervised training in a community service assignment, either at a non-profit or governmental host agency, for an average of 20 hours per week. They are compensated at the higher of the federal, state or local minimum wage. While in training, participants receive an assessment to determine individual needs for training, supportive services, and their potential for unsubsidized employment. Other job-related training consists of developing and upgrading existing employment skills, limited educational opportunities, job search skills, and counseling.

At the conclusion of this year, the AARP Foundation established its Arizona State Satellite Office in Flagstaff and is currently operating SCSEP within the community. This new office provides accessibility and a local contact to Arizona's northern host agencies and participants. All AARP Foundation offices are working to establish new host agencies and transition remaining participants from remote training to in-person sites as they open. SCSEP this year began to work with Pinal Alliance to help train participants in Maricopa and Pinal Counties. Participants are learning office and clerical duties, and will be able to network with employers for future opportunities.

Long-Term Care Ombudsman

The Long-Term Care Ombudsman (LTCO) Program operates as a non-regulatory resident advocacy program to resolve problems related to the health, safety, welfare, and rights of individuals who live in long-term care facilities. The LTCO Program received 2,407 complaints in SFY 2021. The Department contracts with eight AAAs to regularly visit all nursing and assisted living facilities statewide and to directly serve and respond to resident complaints regarding quality of life issues in those facilities. The COVID-19 Pandemic required the LTCO Program to modify the response to client concerns while continuing efforts to ensure the resolution of the complaints, including how the LTCO Program conducted in-person visits in long-term care facilities. The LTCO Program adapted by using virtual visitation (phone, email, and video conferencing), as well as window service and outdoor visits to meet the needs of clients while adhering to infection control restrictions. The AAAs purchased and used personal protective equipment (PPE) to make regular visits as well as respond to complaints once in-person visitation was made permissible.

The LTCO Program is often the primary responder to complaints regarding involuntary discharges, which are the most frequent complaints in nursing homes and assisted living facilities. The LTCO Program complaint resolution process is often conducted without outside intervention,

which can save on regulatory and legal costs while achieving the resident's desired outcome. In SFY 2021, 86 percent of verified complaints were resolved to the resident's satisfaction.

EMPLOYERS

Business Service Team

DERS' Business Services Team partners with Arizona businesses to develop solutions for their workforce needs, connecting jobs to people and facilitating access to a diverse candidate pool including individuals with disabilities, veterans, and individuals who were formerly incarcerated. During SFY 2021, DERS' Business Services Team partnered with over 7,000 Arizona businesses, with the addition of 3,436 new Arizona employer partners, and the opportunities that they represent, added to the ARIZONA@WORK system. In SFY 2021, the ADES Business Service Team:

- Repurposed the ARIZONA@WORK Business Services statewide Wednesday huddle meeting during which, in partnership with the Office of Economic Opportunity (OEO), Arizona employers from an identified "industry of the month," from a Labor Market Information perspective, present an overview of their businesses, job openings, and how their company and industry affect both the State and their local communities.

- Initiated a monthly AJC Technical Assistance meeting that informs ARIZONA@WORK partners about key navigation techniques to improve their AJC experience and create better matches. Although an employer focused meeting, it is well attended by our ARIZONA@WORK job seeker teams.

- Initiated *Third Thursday at Three* workshops which, led by a VR Employer Coordinator, provide additional company and registered apprenticeship opportunities to RSA staff and vendors.

- Produced, in collaboration with the OEO, three video resources, with accompanying desk aids, as part of the *Labor Market Information Project*. These video resources are posted at https://arizonaatwork.com/arizonawork-internal-resources, were developed for the use of ARIZONA@WORK and all community partners, and include the following titles:
  - The Basics of Labor Market Information - O*Net / Soc VS NAICS
  - Hot Jobs - In Demand Industry / In Demand Occupations
  - OEO Website Data and Analysis Tool Walkthrough
- Continued to lead weekly meetings with those RSA staff involved in Job Readiness Training, to identify available jobs in AJC for VR clients.

Rapid Response

Rapid Response and layoff aversion services are provided to businesses experiencing layoffs and plant closures, through customized plans developed with the employers, to provide tailored services and resources to both the business and the affected employees. Layoff aversion strategies include proactively reaching out to businesses to quickly connect them to resources, including the Shared Work Program and Worker Training Programs. During SFY 2021, 27 Worker Adjustment and Retraining Notifications (WARNs) were received, affecting a total of 4,739 Arizona employees. Additionally, six non-WARNs were received, affecting 216 Arizona employees.

Apprenticeship Program

The Arizona Apprenticeship Office continues to assist Arizona businesses in attracting and retaining quality talent while also assisting job seekers with their pursuit of worthwhile employment and viable career pathways. The Arizona Apprenticeship Office added 60 new programs and 1,667 new apprentices during SFY 2021, including programs in health care, construction,

manufacturing, Information Technology (IT), hospitality, water and wastewater treatment, insurance, and other services.

Additionally, the Arizona Apprenticeship Office created programs with four Arizona community colleges that serve as intermediary sponsors of apprenticeships. This model also allows participating apprentices to collect college credits while being paid to work for the colleges' employer partners. The IT Tech Program with CompTia and Maher & Maher offered through Gateway Community College in Maricopa county was the first in the nation. This Work-Based Learning Program is often referred to as an 'Earn While You Learn' Program. Veterans who become apprentices in approved registered apprenticeship programs can use Government Issue Bill benefits if they qualify for the program. The Arizona Apprenticeship Office works closely with ARIZONA@WORK Centers and conducts outreach to business service representatives and the Tribal Nations within the state to increase the availability of apprenticeship programs in Arizona for jobseekers and employers.

Foreign Labor Certification Program

The Foreign Labor Certification (FLC) unit supervises the H-2A and H-2B Visa Programs in Arizona. The H-2A Program brings foreign nationals to fill temporary agricultural jobs when employers cannot find qualified domestic workers. The H-2B Program brings non-agricultural foreign workers to perform jobs related to a variety of industries including hospitality, amusement and carnival, tourism, construction, and landscaping.

During the lockdowns caused by COVID-19, the FLC unit adjusted several processes, including incorporating virtual services. Arizona took charge of leading the virtual H-2A Program by being one, if not the first State in the country, to create a virtual housing inspection process. The FLC unit had so much success with their virtual process that neighboring states of California, New Mexico, and Colorado adopted Arizona's approach. The new method of inspection increased efficiency and expanded reach across Arizona, and ADES aims to sustain the virtual program if permitted by federal requirements and funding availability.

During the FFY 2021, FLC received a total of 179 H-2A applications and 184 housing inspections conducted, an increase of 36 percent of H-2A applications and 111 percent of housing inspections conducted compared to the prior FY. The capacity of those housing inspections also increased by 50 percent, meaning that H-2A employers in Arizona have increasingly requested more foreign workers to work in the agricultural sector. For the H-2B Program, FLC received a total of 236 H-2B applications, which translates to an 113 percent increase from the previous year. The total number of foreign workers requested in Arizona was 6,226 for the H-2B Program and 8,023 for the H-2A Program.

Work Opportunity Tax Credit Program

Through the Work Opportunity Tax Credit (WOTC) Program, employers may earn a federal tax credit (between $1,200 and $9,600 per qualifying new employee) when hiring job seekers from specific target groups that experience barriers to employment and who work a minimum of 120 hours in their first year. For SFY 2021, the WOTC team processed 67,849 applications, of which approximately one-third were certified, equating to 22,653 tax credits, or $60,290,400 back to Arizona businesses.

Federal Bonding Program

The Federal Bonding Program is a hiring incentive that provides employers $5,000 to $25,000 of Fidelity Bond insurance for a six-month period. The program ensures employers against loss due to employee theft of money or property, in order to incentivize employers to hire hard-to-place job applicants, including those with a record of arrest, conviction, imprisonment, or those on parole or probation; individuals in recovery from or who have been treated for alcohol or drug abuse; welfare recipients; individuals with poor credit history or who have declared bankruptcy; economically disadvantaged youth and adults who lack a work history; and individuals dishonorably discharged from the military.

For the first six months of an individual's employment under the Federal Bonding Program, the insurance is cost-free for the employer and job seeker. There is also no deductible for the employer, and the Federal Bonding Program allows employers to buy additional bonding if, after the initial six-month period, the worker has demonstrated job honesty. In Arizona, 38 bonds were issued to 10 participating employers during SFY 2021.

Unemployment Insurance Taxes

The Federal Unemployment Tax Act and Titles III, IX, and XII of The Social Security Act form the framework of the UI Tax system. UI Taxes paid to the State are used for the payment of UI benefits to eligible unemployed workers. In Arizona, most employers are required by law to pay unemployment tax on the first $7,000 in gross wages paid to each employee in a calendar year. Nonprofit, governmental, Indian tribes and churches/religious organizations can choose to reimburse the Department for benefit payments charged to their accounts in lieu of paying quarterly taxes. In the third quarter of 2021, there were 151,070 employers registered in the Tax Employer Accounting Multi System.

Unless specifically excluded by law, employers must report to the Department all wages paid to each employee in the quarter by the end of the month following the end of the quarter. The online Tax and Wage System (TWS) allows employers to file their Quarterly Tax and Wage Report, make a payment, report address and business changes, view tax rates, and view and print copies of previously filed quarterly filings. Employers can also elect to sign up with the UI State Information Data Exchange System (SIDES). SIDES is a free service that employers can use to respond electronically to Notice to Employer requests for separation information regarding former employees. SIDES reduces mailing costs, increases response timeliness, and decreases overpayments.

Child Support Rules & Regulations

Federal and State law requires employers to report newly hired and re-hired employees in Arizona. Employers may use the DCSS Arizona New Hire Reporting Center online site to report new employees and view information about reporting new hires and other reporting options. Employers are also required to abide by the Income Withholding Order (IWO) to withhold an

employee's income for child support. The payment must be withheld no later than the first pay period, within 14 days of the date of the IWO, and sent within two business days to the DCSS. Employers can use the online eEmployer Service to receive and respond to future IWOs electronically. The Employers can also make free, secure and convenient child support payments by logging into the iPay online link on the DCSS webpage.

TRAINING

To provide Arizonans the best services and commit to excellence, innovation, and transparency, it is imperative for the Department to invest in providing quality training and resources to staff. The Office of Professional Development (OPD) is responsible for providing training on various general topics to Department staff and also has specialized teams within each division that focus on program-specific training to assist staff in providing the services Arizonans need to achieve their potential.

During SFY 2021, OPD continued to deliver core learning programs for all Divisions and leadership as well as general professional courses to develop employees and increase engagement. In addition to OPD-delivered courses ADES continued to provide LinkedIn Learning, which contributed to engagement. There has been a steady improvement in engagement scores over a four year period as OPD has added learning opportunities and as agency leadership have made training a priority, as noted in the table below.

	2018	2019	2020	2021
I have the opportunity to learn and do new things in my job.	68%	69%	73%	74%
My agency supports my participation in education and professional development opportunities.	64%	65%	71%	70%

OPD continued to revise all courses to be effective virtually, in order to support the remote workforce and service delivery. OPD worked diligently in collaboration with Divisions as business practices continued to change quickly. Additionally, OPD collaborated with the Department of Administration and other State agencies to produce the Remote Work training series, with OPD

staff involved in three of the eight courses. Overall, 179 new discrete courses were created in SFY 2021.

In its continuing advancement of leadership training, OPD implemented the Leadership Essentials Program (LEP) and Advanced Leadership Program (ALP) for all ADES leaders. The LEP introduces new leaders to the basics of leading people. The ALP covers more advanced leadership topics and skills.

DAAS

In SFY 2020, APS received a three-year grant from the United States Department of Health and Human Services (DHHS), ACL to enhance APS investigator training and improve APS's capacity to meet the needs of vulnerable adults. APS dedicated funds from the grant to enroll 56 of its current 164 APS investigators in an APS competency training offered by National Adult Protective Service Association (NAPSA), the only nationally recognized APS certification program. During SFY 2021, all 56 investigators completed the training program and are in the process of being certified. Additional components of this grant initiative include enhancements to the New Investigator Training and Onboarding (NITO) Program and developing and providing core training for APS Supervisors.

In a collaborative effort with NAPSA, three core supervisor trainings designed to meet needs identified using a supervisor needs assessment were developed for APS supervisors during SFY 2021 and will have been piloted by the end of SFY 2022. The training is intended to become part of NAPSA's national core supervisor training curriculum, with feedback from Arizona APS supervisors guiding curriculum updates.

APS representatives, including APS Leadership, field unit supervisors, trainers, policy unit staff, and OPD are actively developing an enhanced training curriculum, also funded by the DHHS

grant, for the NITO Program. The curriculum incorporates NAPSA's national core competency e-learning modules, Arizona-specific competencies and practices, and the NAPSA-developed Field Guide for APS, which contains on-the-job training activities for new investigators based on NAPSA's 23 core competencies for APS investigators. As part of this initiative, APS supervisors are participating in an eight-month Supervisor Mentoring Program led by a NAPSA consultant; the program focuses on best practices for using the NAPSA Field Guide for APS and developing an Arizona-specific guide with a supervisor answer key.

DBME

The FAA Onboarding New Employees (ONE) Training Program continues as the formal curriculum used for instruction of all newly hired Program Service Evaluators (PSE) trainees. In SFY 2021, necessitated by the COVID-19 Pandemic, the program was converted to 100 percent virtual delivery within 180 days, without interruption to new hire onboarding or training delivery.

Applying AMS methodologies and information and insights obtained from the 2020 FAA ONE Training Suppliers, Inputs, Process, Outputs, Customers tool, OPD DBME team modified the cadence and structure of the training program to move trainees more quickly into a role in which the trainee works on a real application under guidance of management. The FAA ONE Training Program was condensed from nine, non-consecutive weeks of training over the course of three months to ten consecutive weeks.

During SFY 2021, 38 FAA ONE Training courses were delivered to 599 PSE Trainees. OPD DBME/FAA Training team members also participated as contributors or consultants for several cross-functional DBME/FAA projects.

DCSS

OPD and DCSS continued to provide Secondary Trauma training to child support case workers, who may experience trauma as they assist families and hear about the journey a family endures when seeking DCSS services. During SFY 2021, approximately 201 case workers took this training, which helped case workers develop a self-care plan and recognize the impact serving families has on case workers. OPD's design team continued to design and develop new DCSS courses and make revisions to existing courses and also spent over 850 hours converting 20 existing DCSS courses from in-person instructor-led to virtual instructor-led courses.

DDD

In SFY 2021, OPD trained all DDD employees in the role of the DDD Health Plans' care management processes. This virtual training was implemented on September 21, 2020, and by October 27, 2020, approximately 2,000 employees throughout the state, as well as employees of both Mercy Care and UnitedHealthcare, completed the training.

Beginning in December of 2020, OPD delivered training to 1200 Support Coordinators and support staff in the transition from a paper to electronic planning document using a secure, web-based platform DDD adopted called SimpliGov. From July 2021 through September of 2021, OPD conducted a three-day PSCP training that all Support Coordinators, support staff, and leaders attended.

In addition to ongoing development for existing staff, OPD continues to train all newly hired DDD employees in DDD's philosophy and program expectations. In the first quarter of 2021, the design team released two CBTs to teach staff about the Vendor Call process for Home and Community Based Services and behavioral health advocacy, also incorporating it into new hire training.

DERS

As changes to Department policy and state and federal law were introduced during SFY 2021, training courses for the UI Program were revised to maintain compliance. The teams also continued to work on best practices for the delivery of General Inquiry training for the call center agents. Weekly meetings were held with all UI training teams, along with IT and Quality Control teams to provide data-driven support and to collaborate to deliver the most optimal learning experience for ADES and contracted frontline staff. For the VR Program, OPD revamped six virtual instructor-led courses and eight CBTs for VR Counselors and created a VR Supervisor training. The required trainings were piloted in March and October 2021.

OPD is currently piloting the Agile design process with the UI Tax Program for instructor-led courses and CBTs. OPD chose the Agile methodology because it has been shown to improve timeliness and increase regular communication, resulting in impactful and effective courseware for training DERS frontline staff.

LEVERAGING TECHNOLOGY

The DTS has a primary mission to oversee, implement, and improve upon complex technology solutions that enable agency staff to deliver critical and comprehensive services to Arizonans in need. Through proactive partnering, business integration, and strategy development, the division works to ensure that operational stability and efficiency are always at peak performance levels.

DTS continues to transform existing services and practices, adding remote enabling capabilities to create an environment where the majority of ADES employees can perform and maintain their duties remotely to the same standards of quality as when in an ADES office. This transformation required an expansion in network services, including the Virtual Private Network to maintain this larger volume of remote workers. DTS has started modernizing the way in which IT equipment is refreshed and serviced to continue supporting a remote workforce, including developing a cloud-

based desktop as a service option for short-term, surge support employees, such as temporary staff or those hired to address a spike in workload.

DTS continues to focus on application modernization; improving information security; enabling a distributed, remote workforce; and creating a common citizen portal allowing individuals to access a variety of ADES resources and services using a single point of entry. Establishing a baseline of business-serving capabilities, including identity and access management; a configuration management database; asset management; program and project management; and information security capabilities.

DTS is presently refreshing the organization's storage infrastructure. The ADES data center server environment uses a Cisco-certified Unified Computing System Flexpod system to provide computer and data storage resources in support of mission critical applications in use by the agency. This arrangement requires high-speed data storage components to meet the intense demand of these applications. The existing solution is nearing its end of life and will be out of support by January of 2025. Working with our vendor partners, we were able to procure a new storage solution that will provide needed performance and resiliency for Departmental data.

DAAS

APS continued an ACL grant-funded project awarded in SFY 2018 to strengthen its use of data and technology. The ACL data and technology grant is to replace the Arizona Adult Protective Services System (AZAPSS), an outdated, web-based, internally developed system that has been in use for more than ten years. APS selected a vendor, WellSky, in March 2020 to provide a cloud-based solution for replacing AZAPSS. During SFY 2021, the focus has been on configuring and testing the new system, named myAPS, for the Central Intake Unit, Investigations, Appeals, and the Quality Assurance Team to ensure the system's integrity in preparation to launch in SFY 2022.

Once implemented, APS will have an operationally efficient system allowing better workflow, visibility, and reporting capabilities throughout the entire APS process.

The APS Program also launched a public-facing dashboard to increase transparency and timely access to information regarding APS reports and investigations. The [APS Dashboard](#) includes APS data on allegations, caseload, alleged perpetrators, demographics, communications, and reporting sources. APS intends to continue to add additional data in the future.

In response to the COVID-19 Pandemic, the federal Consolidated Appropriations Act authorized a new ERAP. Aware of how urgent this assistance was for the community, in just a few short weeks, ADES implemented an online portal available in English and Spanish to allow prospective applicants to apply safely and conveniently online. Instead of requiring applicants to wait in line at a local office or schedule an appointment, ADES's online portal is available 24 hours a day, seven days a week, and can be accessed on a mobile device. The average time to complete a rent and utilities application is 30 minutes, while a utilities-only application takes just 18 minutes. Since its launch, $42 million has been distributed to more than 12,800 households, ensuring these families are able to pay rent and utility bills.

DBME

Service Evaluator Answers Now (SEAN), the artificial intelligence Skype- and web-based tool developed by DBME continues to assist FAA PSEs with finding policies in the Cash and Nutrition Assistance Policy Manual. SEAN has also proven to be a useful tool for the public who need information on policies related to SNAP and TANF CA benefits. In the fourth quarter of SFY 2021 alone, SEAN's response time averaged just slightly over one second, with an average response rate of 99.94 percent. SEAN received 88 percent positive feedback from both internal and external users.

During SFY 2021, DBME maintained service for Arizonans in need while protecting public health and safety from the COVID-19 Pandemic by shifting its business model from the Client Education Model, which reconfigured the office lobby flow to enable customers to interact with various staff, to the Comprehensive Services Model, in which DBME staff guide customers into fully utilizing other available channels such as telephone and the internet to conduct business with the Division. Business processes were improved to align with the increased customer demand for telephonic and online services. These improvements included the transition from physical phones to network compatible Cisco Jabber softphones for FAA staff. In-person services were provided, in line with Centers for Disease Control and Prevention COVID-19 guidelines, to customers who do not have access to the telephone or the internet.

In SFY 2021, DBME repurposed the 233 digital displays that were installed in 47 field offices in SFY 2020 as part of the Digital Signage Project. The project's original goal was to provide customer education on ADES Programs and services and promote events of public interest through infographics and videos. With less customer traffic in field offices because of the Comprehensive Services Model, the digital displays were used to monitor and track the local office workload and the statewide shared workload in the FAST Tracker lobby management tool. Telecommuting staff from 16 out of the 47 DBME field offices assisted and determined eligibility for applicants calling into the IVR system. As these telecommuting staff members are still assigned to their local field offices, their office management can monitor and track the staff's workload through the offices' digital displays.

A formal feasibility study developed by Berry Dunn for replacement of DBME's eligibility determination system, Arizona Technical Eligibility Computer System, was completed in August 2020. The next steps for this project will depend on legislative appropriation.

In SFY 2019, ADES initiated the SiteWire Project which involves a DBME homepage redesign on the ADES website and enhancements to other web-based resources, simplified notices to customers and a mobile-friendly experience. During SFY 2021, ADES continued work on projects related to recommendations made in the SiteWire project, including:

- Further development of the My Family Benefits (MFB) website enhancement, with the eligibility tracker and the EBT balance inquiry. Awaiting a formal start date are the identity management project and the history display project.

- Review and revision of seven SNAP notices. Using this as a groundwork, the project also simplified and updated nearly 100 other notices.

- Development of the new notice generation system for AZTECS, DBME's eligibility determination system, that integrates e-communication and MFB to deliver notices by email, text, or mail, depending on customer preference. The system is expected to be completed in May 2022.

DCSS

Overall use of the self-service applications continues to increase, indicating the widespread acceptance by ADES customers. The DCSS Payment Gateway allows noncustodial parents to make a child support payment electronically over the Internet or by phone. The Payment Gateway processed 84,891 payments, more than half of which were made via the Internet, that were distributed to custodial parents in SFY 2021 and totaled over $35 million.

The DCSS TouchPay kiosks allow noncustodial parents to make child support payments at local ADES/DCSS offices and other locations using cash, credit or debit cards, and checks without waiting in line to speak to a staff member. There were 15,181 payments processed by the TouchPay kiosks totaling over $4 million distributed to custodial parents in SFY 2021.

In addition to providing increased options for self-service payments, DCSS' multi-million dollar system modernization project kicked off in January 2021 and will replace the legacy Case Management System, Arizona Tracking and Location Automated System (ATLAS), with a modernized, hybrid system, Arizona Case Record System (AZCARES). AZCARES uses cloud-based technology that will provide long-term maintainability, scalability, reliability and flexibility to support child support clients now and well into the future.

DDD

DDD made great progress in automation during the SFY 2021, with the goal continuing to be increased efficiency and enhanced contract compliance. Examples of DDD's use of technology include enhancing the Focus application used by staff and Qualified Vendors to complete multiple member related tasks by implementing modern security protocols and improving the user experience by moving to a tile-based application that is responsive on a variety of devices including desktops/laptops, tablets, and smartphones.

Additionally, the implementation of the SimpliGov software increased efficiency for the DDD member planning meeting process, which is the contractually required quarterly or bi-annual meeting a Support Coordinator has with a member and the other people on the member's planning team to plan the member's care. The planning process was converted from paper to electronic, allowing completion of the new PCSP and improving staff productivity and document accuracy.

DDD also expanded the use of its document storage solution, OnBase, to automatically import the Person-Centered planning document into a DDD member's electronic file. This allows any authorized user to access the record, saving time that was previously needed to obtain the record physically or by email.

The process to obtain services for members occurs through the vendor call process, which publishes requests in the Focus system for services to all vendors that provide the needed service. Enhancements were made to this process to make it more user-friendly, including allowing vendor calls to remain open until a vendor is assigned rather than closing after a fixed period of time and allowing a member profile to be created and stored for multiple uses, thereby decreasing the time a member must wait to be matched to a vendor to receive services. These changes assisted DDD with meeting the requirements necessary for AHCCCS to close the notice to cure related to this process.

During SFY 2021, there were numerous system changes implemented in response to needs created by the COVID-19 Pandemic. These included introducing food delivery services to members' homes, allowing for payment to parents to provide DDD services to their minor children, increasing the total number of respite hours allowed per year, and the ability for vendors to provide services via telehealth.

DDD also implemented many changes to accommodate AHCCCS and CMS requirements, which included increased electronic verification for vendor payments, improved identity verification for providers, implementation of service-specific payment incentives for vendors, and improved records maintenance procedures for claims under investigation.

DERS

ARIZONA@WORK's web-based labor exchange, case management, and reporting system – AJC – connects Arizona businesses with job seekers. AJC provides case management, data

collection, and reporting capabilities for U.S. DOL Programs, including Veterans, Migrant and Seasonal Farmworkers, Reemployment, TAA, and WOTC Programs. There is also the flexibility to include other Workforce-Related Programs, such as the Jobs Program and SNAP Employment and Training.

The UI Tax Program offers a variety of methods to employers for conducting business electronically. These options require no purchase of software by employers, and many require very little IT intervention. A total of 455,603 UI tax reports were filed electronically in SFY 2021, including 97,694 reports filed on the online TWS and 421,183 reports filed using the bulk file upload system Arizona UI Reporting for Employers.

The UI Benefits Program offers the ease of filing initial and continuing claims to UI claimants, as well. In SFY 2021, 91.3 percent of new UI claims and 95.2 percent of continued claims were filed electronically via the Internet. ADES also contracted with Geographic Solutions, Inc. (GSI), to supply the claims processing platform required for claims submitted by Arizonans for the federal unemployment compensation program, PUA. GSI's portal supplemented the existing UI mainframe system, allowing the original system to operate unencumbered by the influx of applications for the federal program. The PUA Portal was implemented in three weeks and supported both the PUA eligibility determination process and payment issuance, including the FPUC weekly supplement.

ADES was one of the first states to require claimants to complete identity verification to receive UI benefits, in response to fraud committed by bad actors. ADES contracted with the identity verification provider ID.me to verify UI and PUA claimants' identification prior to claim submission. This service was deployed via real-time interfaces between the UI and PUA Portal systems and ID.me beginning in October 2020 and February 2021, respectively. ID.me contributed to a dramatic reduction in the number of PUA claims, from a record high of nearly 570,400 claims filed

the week ending October 10, 2020 to just 6,700 the week ending November 14, 2020. This represents a 98.8 percent decrease in new claims filed, many of which were fraudulent. This ID.me service was then implemented in the UI Program, which resulted in similar significant reduction in claims. ADES estimates that this service helped save the State of Arizona well over $75 billion in payouts on fraudulent PUA claims.

PROPOSED ACTIONS FOR NEXT FISCAL YEAR

The Department is committed to helping Arizonans reach their full potential. ADES continues to work within the AMS to ensure the government is working at the speed of business by using Lean management principles to drive continuous improvement within each of the Divisions.

AzEIP

AzEIP is planning to partner with the ADE's Exceptional Student Services, a preschool special education team, to hold a conference focused on improving practices for professionals who serve children with disabilities ages 0-5. This will be the first time a collaborative conference is held between the two agencies and will have content related to best practices for family engagement and providing virtual services.

DAAS

DAAS will continue to focus on implementing the recommendations outlined by the Governor's Task Force on Abuse and Neglect Prevention and those listed in the APS Action Plan. Specifically, DAAS plans to focus on the implementation of new technology, including deploying a new APS case management system to increase efficiency and collaborating with partner agencies to create a resource for prospective employers to conduct registry and background checks through one website. It also will begin several advertising and marketing campaigns to increase awareness of all DAAS Programs, with particular emphasis on prevention and reporting of abuse, neglect and exploitation. DAAS will also focus on recruitment and retention of APS investigation and support staff through reduction of caseloads, creation of additional career opportunities and additional training.

DBME

DBME identified three strategic priorities for SFY 2022 to strengthen service delivery to meet the needs of all Arizonans, including plans to:

- Utilize AMS methods to enhance the Comprehensive Services Model, which will allow for the optimization of the delivery of DBME services. This will allow DBME the opportunity to adjust the existing standard work to better meet the increased workload while continuing to improve service delivery in ADES offices. DBME will continue to serve the majority of customers via telephone. However, by improving the customer experience at the first contact through improved customer education, this should lessen time spent on phone calls. Customers will be provided with educational materials that provide alternative modes to conduct business with ADES, as well as check on their case status, benefits, how to create an account in HEAplus and MyFamilyBenefits, add documents needed for their interview, and obtain a list of Community Resources. DBME will continue to strengthen customers' access to virtual services.

- Continue moving the workforce from in-office to a remote work environment, as survey feedback has shown that this has increased employee engagement in the workforce.

- Build on successes related to increased accessibility to virtual services available to customers. Enhancements to MyFamilyBenefits added options for e-communication/noticing, benefit status, and other services that customers previously needed to call or come to a local office to receive. Customers can elect for notices to be sent via e-communications or text messaging, which gives them enhanced access to information that was formerly delivered by physical mail.

- Develop the Statewide Workload Project, which aims to consolidate all existing FAA field staff workloads currently in various locations into one statewide workload and enhance

DBME's ability to monitor and prioritize tasks, identify gaps and areas requiring immediate action.

DCSS

DCSS identified three strategic priorities for SFY 2022 to strengthen service delivery to meet the needs of all Arizonans including plans to:

- Modernize and expand access to child support services to provide timely and consistent payments to parents to facilitate a path to self-sufficiency. DCSS will serve most parents exclusively via telephone, online, and mail services, collectively called "virtual services," in both the short-term and the long-term. Physical office locations will be maintained based on demand, while maintaining limited in-person services as necessary, similar to the current model. All child support services, except for genetic testing and notary services, are currently available via telephone, online, and mail services. Genetic testing establishes parentage and is conducted by a DCSS-contracted vendor in either a DCSS office or the vendor's location. DCSS will explore options for notary services.

- Transform and modernize the ATLAS by leveraging new technology and moving away from technology that requires manual intervention, is burdensome to learn and use, and is not intuitive. DCSS completed a feasibility study for the replacement of ATLAS, which provided an assessment of several options. The final report was submitted to the DHHS OCSE in October 2017 and received approval in March 2018. DCSS is currently conducting readiness efforts, data conversion and system clean-up efforts as well completing 14 design, development, and implementation sprint cycles. The new system is expected to enable increased worker efficiency, improve child support collections, improvements in process timeliness and quality, and real-time access to case information.

DDD

DDD identified improvements in its service delivery and contract design for Home and Community Based Services through its Qualified Vendor System in SFY 2020 and posted for public comment in Summer 2021. DDD anticipates posting the final version of the updated Qualified Agreement in Spring 2022 with Implementation Winter 2023.

DDD held its first C2F workshop in SFY 2020 with over 40 DDD leaders with the purpose of examining major projects and potential impact to DDD members and staff, as well as identifying required resources to complete the projects. In SFY 2021, DDD leaders met again to discuss progress on the projects that were identified in SFY 2020 and to determine next steps for the coming years. DDD's C2F initiative will serve as the Strategic Plan over the next five years. The goal of the C2F initiatives is for DDD to identify and adhere to agreed-upon processes and cultural changes to ensure compliance so that DDD can become a highly effective, innovative, quality-driven organization to continuously improve DDD members' services and experiences. DDD successfully implemented process improvements during the first year of C2F that have resulted in increased timely service delivery, decreases in unassigned authorizations, quicker resolution of quality of care concerns, and is translating into improved outcomes for the DDD members, contributing to DDD's mission of empowering individuals with developmental disabilities to live self-directed, healthy, and meaningful lives. Through its work on C2F, DDD has identified four overarching strategic goals for SFY 2021 and beyond. These goals include:

- Increasing organizational capacity, infrastructure, and workforce development activities to ensure DDD can operate effectively and efficiently;
- Identifying opportunities and implementing strategies that improve each DDD member's ability to successfully fulfill their vision of the future;
- Identifying and pursuing continuous quality improvement opportunities; and

- Strengthening DDD's trust and engagement with community partnerships to support individuals with developmental disabilities.

DDD is preparing for important and exciting changes to the program in SFY 2021 and beyond. Phase II of C2F will begin in Calendar Year (CY) 2022 with an increased emphasis on strengthening behavioral health services for DDD members and implementing the American Rescue Plan Act spending plan for the DDD system.

DERS

Arizona continues to rebound from the effects of the COVID-19 Pandemic and is one of the strongest economies in the nation. DERS, in partnership with Arizona's Workforce System, will continue to improve, modernize, and expedite workforce solutions for Arizona employers and continue to work with businesses to enhance productivity and solve human resource challenges. In addition, DERS works to remove barriers and connect Arizonans to gainful employment and will continue to support the Arizona Back to Work Program aimed at helping job seekers reenter the workforce, relaunch their careers, or start out in entirely new fields. These efforts contribute to advancing the economic mobility of individuals and families toward employment and self-sufficiency. DERS continues to modernize its service delivery to increase access points for individuals and families seeking services and will maximize the use of technology to improve evaluation and accountability.

OIG

OIG has identified the following seven strategic priorities for SFY 2022 in an effort to continually improve key functions:

- Improving investigative processes, which includes analyzing the talent pipeline to ensure equity, diversity, and inclusion in recruitment, retention, and succession practices;

enhancing technology to support investigations; and increasing the number of cases submitted for prosecution review.

- Continuing to enhance risk-based and compliance-based auditing, which includes enhancing customer satisfaction surveys, leveraging the Director's Audit Advisory Workgroup, continuing efforts to recruit and train high-performing staff, and continuing efforts to leverage technology to streamline audit processes.

- Enhancing ADES security and safety for all ADES employees, clients, and properties, which includes enhancing preparedness through continued new employee orientation presentations and security awareness workshops, strengthening ADES facility security by conducting two facility security assessments per month, enhancing CCTV monitoring capabilities, and developing a multi-functional badging system so that ID badges will grant access to buildings and vehicles.

- Modernizing business models to improve service delivery and organizational agility, which includes continuing to transform workspace from physical to effective virtual environment, ensuring all OIG staff have 100 mobile equipment and applications, and aggressively pursuing system replacements and enhancements.

- Improving investigator safety, which includes continuing to monitor the issuance and use of PPE, upgrading technology, developing post-pandemic safety protocols, and addressing the aging OIG fleet.

- Improving the ASA backlog and timeliness, which includes continuing efforts to map ASA processes, developing standard work and productivity metrics, developing training curriculum, reducing turnover by cultivating and recruiting talent, and replacing the Appellate Processing System.

Enhancing the ADES readiness posture, which includes establishing coordinated Emergency Response, Emergency Management, and IT Disaster Recovery capabilities; establishing needed standard work; updating the Arizona State Emergency Repatriation Plan; and partnering with stakeholders to design and implement a full-scale emergency repatriation exercise with a presence at Phoenix Sky Harbor.

Prior to the recession brought on by the COVID-19 Pandemic, the Arizona economy recorded robust growth according to several key economic variables. Total nonfarm employment had increased YoY for 113 consecutive months, while the unemployment rate reached record lows. The recession had a notably negative impact on the Arizona economy in SFY 2020, but SFY 2021 fostered a strong economic recovery. Total nonfarm employment greatly increased from SFY 2020 to SFY 2021 while the Arizona unemployment rate approached pre-pandemic levels. Additionally, employment is projected to continue to increase in nearly all supersectors through the second quarter of 2022.

Economic highlights for SFY 2021:

- The Arizona population continued to grow across the state and is projected to continue to increase over the next several years.

- In June 2021, the Arizona unemployment rate was 6.8 percent, which was higher than the national United States unemployment rate of 5.9 percent in the same month.

- Arizona gained 151,900 jobs YoY in June 2021. These gains were recorded in all eleven supersectors.

- Ten of the eleven supersectors are projected to gain jobs through the second quarter of 2022. Leisure and Hospitality is projected to have the highest percent change with 27.3 percent more jobs while Trade, Transportation & Utilities is projected to numerically gain the most jobs (86,473). Government is the only supersector projected to lose jobs (-1,649, or -1.0 percent).

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[1] The Arizona OEO produces demographic, labor force, regulatory, workforce, and economic information for Arizona. OEO submitted the summary of economic highlights for SFY 2021 in this section.

- The State Coincident Index for Arizona, an indicator for measuring economic activity, improved to 153.0 in June 2021 from a 54-month low of 126.3 in April 2020.

- Per capita personal income growth in Arizona is still behind the national average, but grew 6.5 percent from CY 2019 to CY 2020. The United States per capita personal income grew 5.8 percent over the same period.

ARIZONA POPULATION AND GROWTH

Population growth in Arizona increased by 102,520 individuals, or 1.4 percent, in CY 2020. Roughly one-fifth of this growth is attributed to natural change (more births than deaths), while the remainder of the growth is attributed to net migration (more individuals moving into Arizona than there are individuals leaving Arizona). Barring the impact of COVID-19, Arizona's population is projected to continue to grow through CY 2022.

Arizona's population growth rate has exceeded 1.0 percent every year since CY 2013. Arizona had particularly low population growth rates during CY 2009 and CY 2010 due to impacts of the Great Recession, during which time the employment levels in Arizona declined and because employment opportunity is a major driver of population increases, net migration declined, as well. As the Arizona economy recovered between CYs 2011 and 2019, net migration began to increase. This population growth helped fuel economic growth through the infusion of new consumers demanding goods and services.

ARIZONA UNEMPLOYMENT RATE

Since the Great Recession (December 2007 - June 2009), Arizona's unemployment rate and labor force participation rate have generally recorded positive changes. This trend ended abruptly in March 2020, when the Arizona unemployment rate increased and labor force participation decreased, which mirrored the national trends and can be attributed to the effects of the COVID-

19 Pandemic. Arizona began SFY 2021 with a seasonally-adjusted unemployment rate of 10.4 percent in July 2020, and ended SFY 2021 with an unemployment rate of 6.8 percent in June 2021. The United States began SFY 2021 with a seasonally-adjusted unemployment rate of 10.2 percent, and ended SFY 2021 with an unemployment rate of 5.9 percent in June 2021.

ARIZONA LABOR FORCE

The Arizona labor force participation rate has historically trended below the United States labor force participation rate. From SFY 2015 to SFY 2019, the Arizona labor force participation rate recorded growth, though in April 2020, experienced a sharp decline. This decline in labor force participation was primarily due to the economic impact of the COVID-19 Pandemic. In Arizona, labor force participation was 61.6 percent at the beginning of SFY 2021. By the end of SFY 2021, labor force participation in Arizona was 60.5 percent. The United States began SFY 2020 with a labor force participation rate of 61.5 percent at the beginning of SFY 2021 and declined to 61.6 percent by the end of SFY 2021.

ARIZONA EMPLOYMENT GROWTH

Arizona's nonfarm growth rates have equaled or exceeded United States nonfarm growth rates in every month from October 2014 through March 2021. Before declining to -8.8 percent in April 2020, Arizona nonfarm employment recorded positive year-over-year employment change for 113 consecutive months. Arizona nonfarm employment declined by 5.5 percent in June 2021, while United States nonfarm employment growth declined by 5.8 percent in June 2021.

In SFY 2021, nonfarm employment increased sharply from SFY 2020. Among the 11 supersectors, YoY employment growth occurred in:

- Leisure and Hospitality at 15.8 percent, or 41,500 jobs;

- Trade, Transportation, & Utilities at 8.6 percent, or 46,100 jobs;

- Other Services at 8.2 percent, or 7,000 jobs;

- Natural Resources and Mining at 5.8 percent or 700 jobs ;

- Education and Health Services at 5.5 percent, or 24,300 jobs;

- Professional and Business Services at 4.0 percent, or 16,700 jobs;

- Manufacturing at 2.9 percent, or 5,000 jobs;

- Information by 2.1 percent, or 900 jobs;

- Government at 1.4 percent, or 5,000 jobs;

- Financial Activities 1.3 percent, or 3,000 jobs; and

- Construction at 1.0 percent, or 1,700 jobs.

Total nonfarm employment increased by 151,900 YoY in SFY 2021.

The distribution of job growth is typically concentrated in the Phoenix Metropolitan Statistical Area (MSA), but in SFY 2021, three of the seven Arizona MSAs grew at rates exceeding the job growth rate of Arizona (5.5 percent): Phoenix MSA (6.6 percent), Flagstaff MSA (6.3 percent), and Prescott MSA (6.3 percent). These three MSAs also surpassed the United States job growth rate of 5.8 percent. Yuma MSA grew 4.6 percent in SFY 2021, followed by Sierra Vista-Douglas MSA with 4.2 percent growth, and Lake Havasu City-Kingman MSA with 3.8 percent growth. Tucson MSA had the lowest job growth rate among Arizona MSAs in SFY 2021 with a growth rate of 2.8 percent.

From June 2011 to June 2021, Construction increased its share of nonfarm employment by 1.3 percentage points, the largest share increase over this period. Other supersectors that recorded positive employment share gains included Education & Health Services (1.2 percentage points); Financial Activities (0.8 percentage points); Trade, Transportation and Utilities (0.2 percentage points), and Professional & Business Services (0.6 percentage points). The largest decrease in

nonfarm employment share occurred in Government, losing 2.8 percentage points. This was followed by Other Services (-0.6 percentage points); Leisure & Hospitality (-0.5 percentage points); Manufacturing (-0.2 percentage points); Information (-0.1 percentage points); and Natural Resources and Mining (-0.1 percentage points).

ARIZONA INDUSTRY EMPLOYMENT PROJECTIONS (2019-2021)

Short-term projections use the second quarter of 2020 as base employment and therefore reflect the recent impacts of the COVID-19 Pandemic. Because of this, short-term employment growth is projected to be relatively higher compared to previous short-term projections.

Ten of the eleven supersectors, along with Self-Employed, are projected to gain jobs through the second quarter of 2022. The largest percent increase is projected to occur in Leisure and Hospitality at 27.3 percent, followed by Trade, Transportation, and Utilities at 16.2 percent, and Self-Employed at 14.3 percent. Numerically Trade, Transportation, and Utilities is projected to gain the most jobs (86,473), followed by Leisure and Hospitality (69,901) and Education and Health Services (63,533). The only supersector projected to lose jobs is Government, which is projected to lose 1,649 jobs (-1.0 percent).

The coincident economic activity index is an economic indicator compiled by the Federal Reserve that tends to correlate with economic growth. As the coincident index increases, economic growth tends to increase. After experiencing 125 continuous months of growth, Arizona's coincident index declined by 0.01 in March 2020, dropping to 151.3. In June 2021, Arizona's coincident economic index had improved to 153.0.
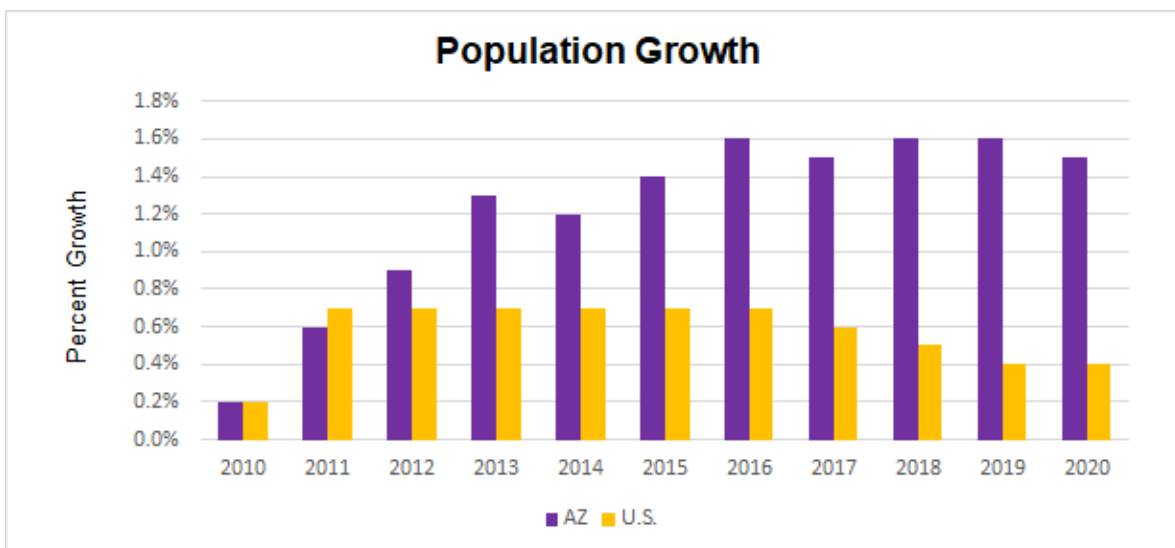
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
COMPARISON BETWEEN ARIZONA AND UNITED STATES POPULATION
FOR CALENDAR YEARS ENDED DECEMBER 31
(2020 IS THE MOST RECENT DATA AVAILABLE)

YEAR	ARIZONA POPULATION	UNITED STATES POPULATION	PERCENTAGE CHANGE IN ARIZONA POPULATION	PERCENTAGE CHANGE IN UNITED STATES POPULATION
2010*	6,401,568	309,327,143	0.2%	0.2%
2011*	6,438,178	311,583,481	0.6%	0.7%
2012*	6,498,569	313,877,662	0.9%	0.7%
2013*	6,581,054	316,059,947	1.3%	0.7%
2014*	6,662,486	318,386,329	1.2%	0.7%
2015*	6,758,251	320,738,994	1.4%	0.7%
2016*	6,866,195	323,071,755	1.6%	0.7%
2017*	6,965,897	325,122,128	1.5%	0.6%
2018*	7,076,199	326,838,199	1.6%	0.5%
2019**	7,189,020	328,329,953	1.6%	0.5%
2020	7,294,587	329,484,123	1.5%	0.4%

Sources: Arizona estimates were provided by the Arizona OEO; United States estimates were provided by the United States Census Bureau.

*Data has been revised from the original published numbers.The information contained in the sources used for this table is continuously revised and the amounts in the above table have been revised accordingly. Data presented may not match data reported for prior years.
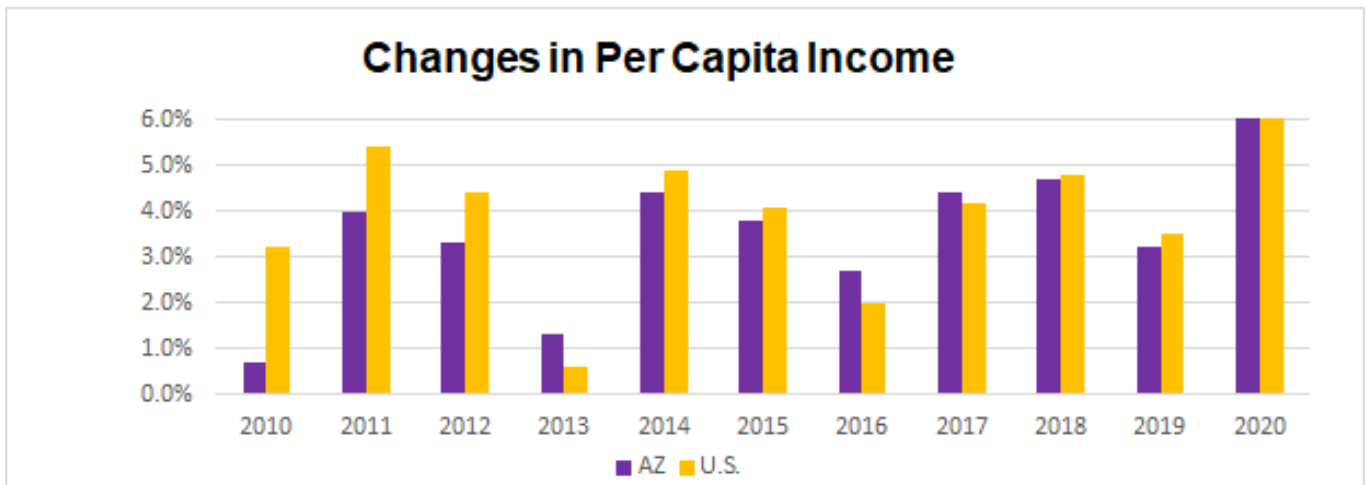

Population Growth

ARIZONA DEPARTMENT OF ECONOMIC SECURITY
COMPARISON BETWEEN ARIZONA AND UNITED STATES PER CAPITA INCOME
FOR CALENDAR YEARS ENDED DECEMBER 31
(2020 IS THE MOST RECENT DATA AVAILABLE)

YEAR	ARIZONA PER CAPITA INCOME	UNITED STATES PER CAPITA INCOME	PERCENTAGE CHANGE IN ARIZONA PER CAPITA INCOME	PERCENTAGE CHANGE IN UNITED STATES PER CAPITA INCOME
2010	$33,637	$40,546	0.7%	3.2%
2011	$34,889	$42,735	4.0%	5.4%
2012	$36,064	$44,599	3.4%	4.4%
2013	$36,559	$44,851	1.4%	0.6%
2014	$38,175	$47,060	4.4%	4.9%
2015	$39,629	$48,985	3.8%	4.1%
2016	$40,456	$49,883	2.1%	1.8%
2017	$42,085	$51,731	4.0%	3.7%
2018	$43,650	$53,712	3.7%	3.8%
2019	$46,058	$56,490	3.3%	3.5%
2020	$45,975	$59,729	6.5%	5.8%

Source: United States Department of Commerce, Bureau of Economic Analysis: SA1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income.

Definitions: Per capita personal income is equal to personal income of a given area divided by the resident population of the area. Personal income is the income received by a single individual and includes compensation, interest, and dividends.


Changes in Per Capita Income

ARIZONA DEPARTMENT OF ECONOMIC SECURITY
COMPARISON BETWEEN ARIZONA AND UNITED STATES UNEMPLOYMENT
FOR CALENDAR YEARS ENDED DECEMBER 31
(2020 IS THE MOST RECENT DATA AVAILABLE)

YEAR	NUMBER OF UNEMPLOYED IN ARIZONA	NUMBER OF UNEMPLOYED IN UNITED STATES	UNEMPLOYMENT RATE ARIZONA(%)	UNEMPLOYMENT RATE UNITED STATES (%)
2010	318,620	14,807,750,	10.3%	9.6%
2011	288,082	13,738,500	9.4%	8.9%
2012	254,884	12,499,167	8.4%	8.1%
2013	239,050	11,457,167	7.8%	7.4%
2014	212,280	9,601,500	6.8%	6.2%
2015	193,746	8,293,750	6.1%	5.3%
2016	178,346	7,751,333	5.5%	4.9%
2017	164,884	6,982,750	4.8%	3.9%
2018	165,128	6,314,083	4.8%	3.9%
2019	171,908	6,001,250	4.9%	3.7%
2020	282,376	12,948,083	7.9%	8.1%

Sources: Arizona: Arizona data provided by the Arizona OEO; United States data provided by the U.S. DOL, Bureau of Labor Statistics.

Note: Figures are subject to revision.

Definitions: A person is unemployed if the person has no job but is looking for work. The unemployment rate is the number of unemployed as a percentage of the labor force. The labor force is the sum of the employed and the unemployed. For more information go to www.laborstats.az.gov.
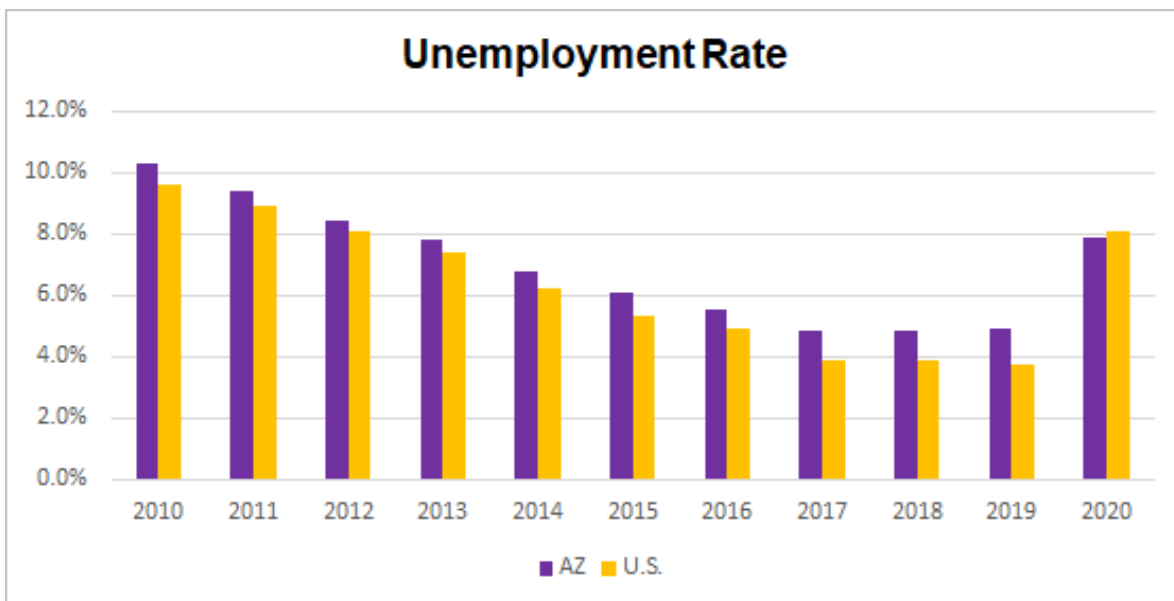
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
TOTAL EXPENDITURES BY FUND TYPE
FOR FISCAL YEARS ENDED JUNE 30

YEAR	STATE FUNDS	OTHER APPROPRIATED FUNDS	NON-APPROPRIATED FUNDS	TOTAL FUNDS
2011	$386,388,600	$549,996,500	$4,624,068,900	$5,560,454,000
2012	$437,373,100	$599,577,200	$4,091,369,800	$5,128,320,100
2013	$425,157,800	$662,517,100	$3,472,322,100	$4,559,997,000
2014	$461,322,500	$953,274,800	$3,320,671,600	$4,735,268,900
2015	$461,587,200	$267,723,600	$3,156,050,300	$3,885,361,100
2016	$502,934,200	$271,847,900	$3,187,665,700	$3,962,447,800
2017	$538,272,200	$249,987,600	$3,211,298,600	$3,999,558,400
2018	$586,110,300	$283,478,200	$3,202,137,100	$4,071,725,600
2019	$650,936,900	$284,564,400	$3,342,972,000	$4,278,473,300
2020	$749,708,200	$341,874,500	$4,134,090,200	$5,225,672,900
2021	$760,829,100	$517,786,800	$5,758,193,800	$7,036,809,700

Source: ADES Budget Submission

Total Expenditures by Fund Type (in Millions)
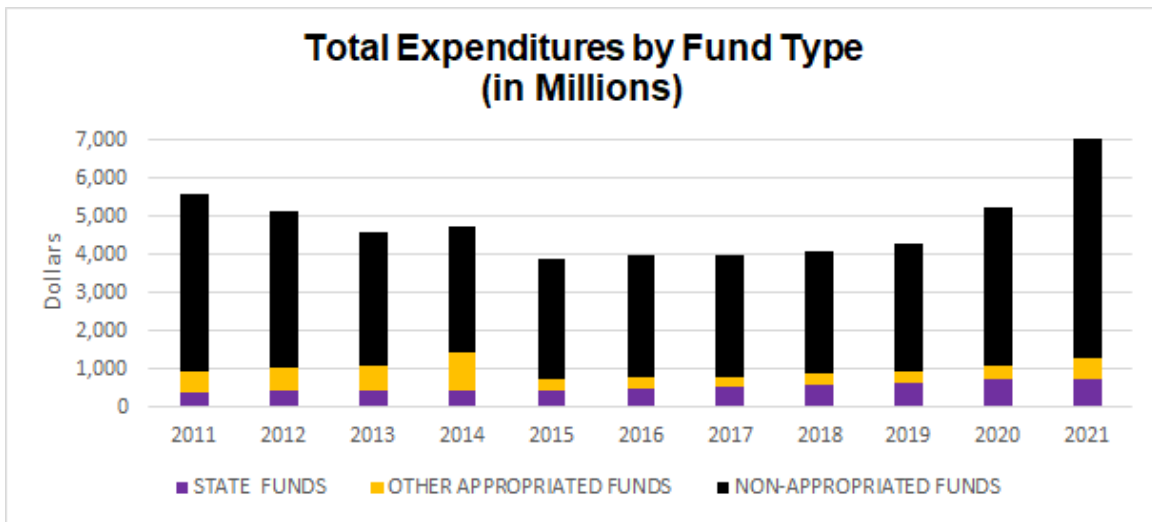
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
STATE FUNDS RECEIVED BY DIVISION
FOR FISCAL YEARS ENDED JUNE 30

YEAR	DDD	DBME	DERS	ADMIN[1]	DAAS	DCSS	TOTAL STATE FUNDS RECEIVED
2011	$271,017,100	$33,820,100	$30,287,600	$25,535,600	$17,605,600	$8,122,600	$386,388,600
2012	$329,589,300	$38,473,600	$9,461,300	$33,749,900	$17,713,000	$8,386,000	$437,373,100
2013	$315,304,600	$34,026,200	$9,863,700	$37,377,300	$18,947,200	$9,638,800	$425,157,800
2014	$356,172,800	$35,709,000	$15,178,400	$25,755,100	$17,738,800	$10,768,400	$461,322,500
2015	$358,792,400	$35,722,600	$10,257,100	$22,838,300	$21,261,900	$12,714,900	$461,587,200
2016	$400,101,000	$35,616,500	$11,214,400	$21,713,500	$21,815,300	$12,473,500	$502,934,200
2017	$433,358,500	$35,479,000	$13,147,200	$21,997,600	$21,877,600	$12,412,300	$538,272,200
2018	$480,556,500	$35,616,500	$13,174,400	$21,703,800	$22,623,100	$12,436,000	$586,110,300
2019	$543,651,600	$37,599,900	$13,034,600	$20,054,200	$23,925,400	$12,671,200	$650,936,900
2020	$642,431,200	$38,896,900	$13,042,300	$21,100,700	$22,231,000	$12,006,100	$749,708,200
2021	$590,373,100	$39,784,200	$75,203,300	$21,631,500	$21,507,500	$12,329,500	$760,829,100

Source: The ADES Budget Submission

[1] The Admin column references the Department's administrative divisions, including DBS.

State Funds Received by Division (in Millions)
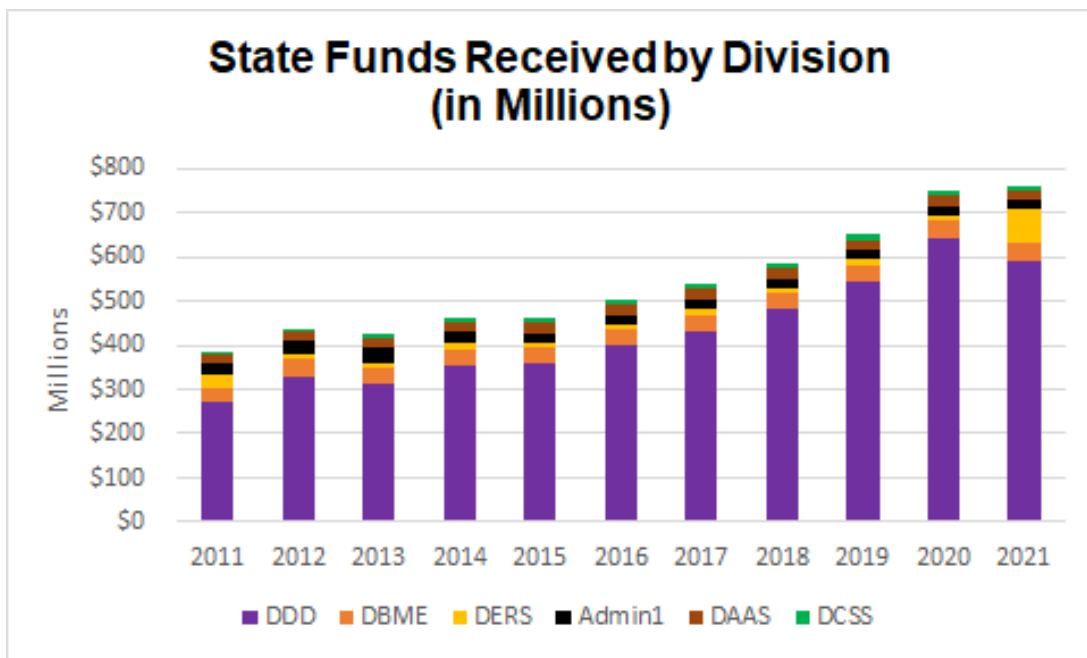
ARIZONA DEPARTMENT OF ECONOMIC SECURITY UI FINANCIAL TRANSACTION SUMMARY FOR FISCAL YEARS ENDED JUNE 30			
YEAR	TOTAL EMPLOYER CONTRIBUTIONS	TOTAL BENEFITS PAID	FUND BALANCE
2011	$412,472,497	$1,684,068,675	$16,864,876
2012	$434,253,686	$1,053,948,338	$4,113,696
2013	$446,578,260	$654,321,961	$14,944,329
2014	$458,133,325	$447,350,166	$8,244,046
2015	$463,467,338	$320,502,958	$135,097,528
2016	$484,087,186	$288,551,728	$332,677,410
2017	$498,520,801	$270,807,529	$571,469,308
2018	$514,067,411	$245,454,121	$856,109,879
2019	$450,218,852	$228,282,756	$1,101,115,339
2020	$392,649,833	$5,267,864,514	$804,663,845
*2021	$551,835,235	$8,259,199,815	$344,392,812

Source: ADES UI Financial Transaction Summary Report.

* The UI Financial Transaction Summary data for 2021 is an estimate until the Annual Comprehensive Financial Report is issued. This data will be updated in the SFY 2022 report.

Note: Figures are subject to revision. The total benefits paid amount for all FYs have been adjusted to include interstate benefits.

Unemployment Insurance Financial Transaction Summary (in Millions)
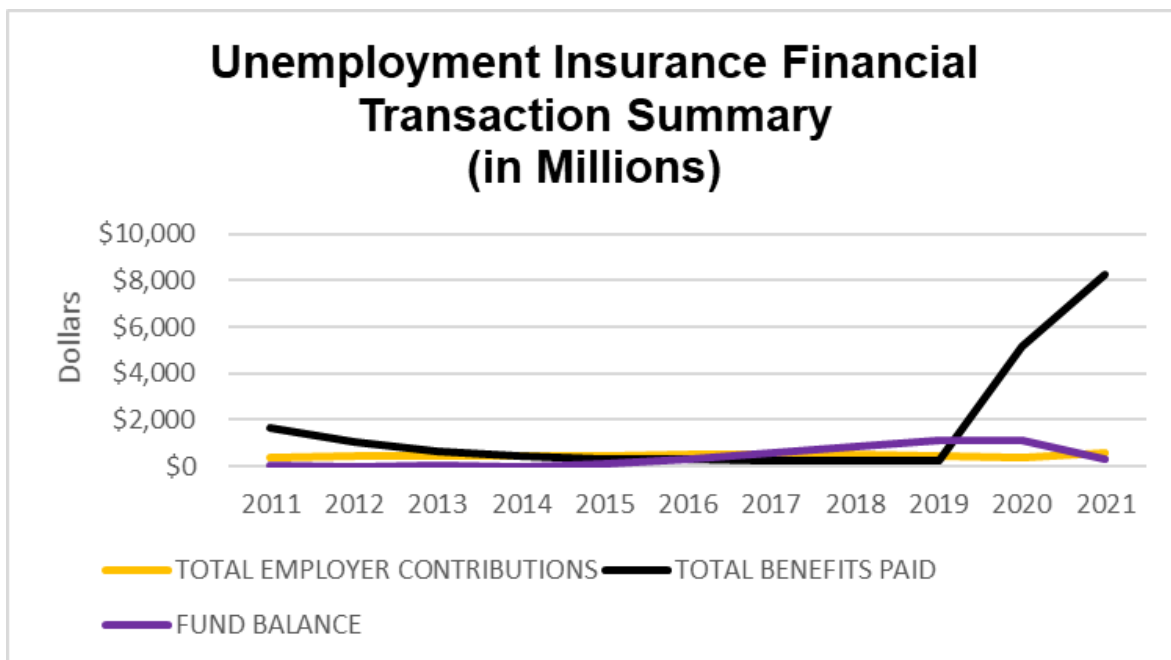
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
SNAP BENEFIT PARTICIPANTS
FOR FISCAL YEARS ENDED JUNE 30

YEAR	AVERAGE MONTHLY NUMBER OF HOUSEHOLDS	AVERAGE MONTHLY NUMBER OF PERSONS	AVERAGE MONTHLY ALLOTMENT PER HOUSEHOLD	AVERAGE MONTHLY ALLOTMENT PER PERSON	AVERAGE MONTHLY BENEFITS DISTRIBUTED
2011	458,580	1,049,522	$291.35	$127.30	$133,607,965
2012	484,785	1,123,068	$292.40	$126.22	$141,752,178
2013	479,386	1,116,068	$288.90	$124.09	$138,493,811
2014	460,320	1,070,674	$276.45	$118.86	$127,257,464
2015	448,754	1,027,845	$273.06	$119.22	$122,535,437
2016	434,328	980,536	$272.06	$120.51	$118,162,179
2017	422,591	946,184	$269.26	$120.26	$113,785,667
2018	397,628	875,241	$260.49	$118.34	$103,577,126
2019	383,491	824,197	$253.15	$117.79	$97,082,260
2020	394,091	831,903	$276.84	$131.15	$109,100,962
2021	436,466	930,130	$400.92	$188.12	$174,989,341

Source: ADES DBME FAA
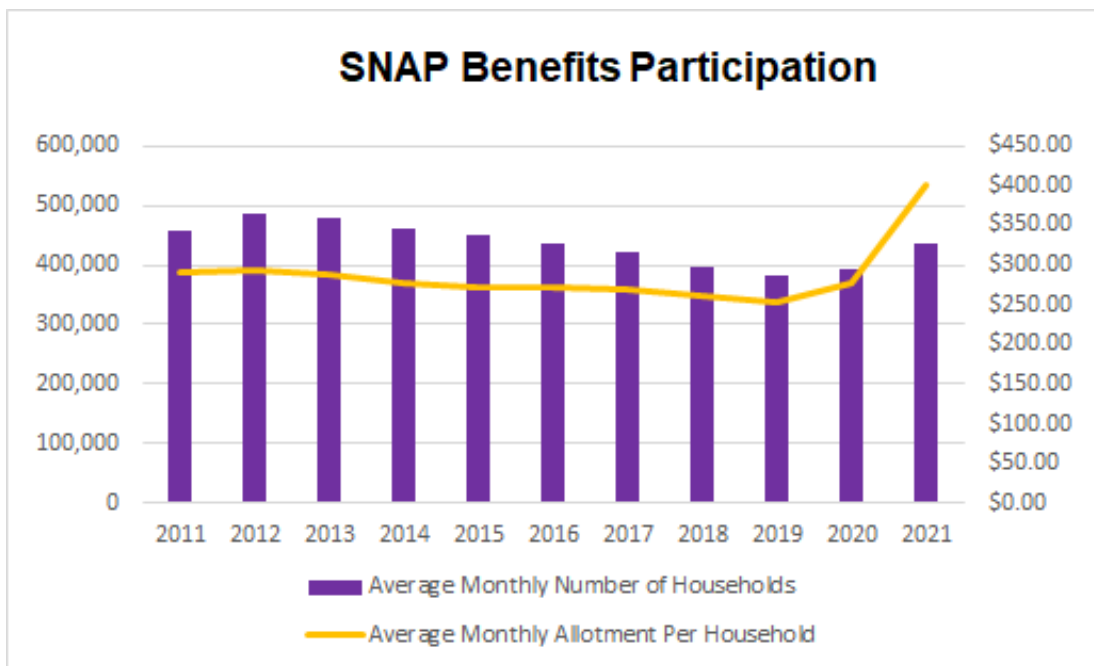
ARIZONA DEPARTMENT OF ECONOMIC SECURITY TANF CASH ASSISTANCE FOR FISCAL YEARS ENDED JUNE 30					
YEAR	AVERAGE MONTHLY NUMBER OF CASES	AVERAGE MONTHLY NUMBER OF RECIPIENTS	AVERAGE MONTHLY PAYMENT PER CASE	AVERAGE MONTHLY PAYMENT PER RECIPIENT	AVERAGE MONTHLY PAYMENTS
2011	19,827	44,842	$212.42	$93.92	$4,211,688
2012	17,310	39,194	$208.89	$92.26	$3,615,885
2013	17,203	39,050	$204.89	$90.26	$3,524,770
2014	14,621	32,888	$203.82	$90.61	$2,980,065
2015	12,269	27,272	$203.00	$91.32	$2,490,483
2016	10,192	22,171	$201.89	$92.81	$2,057,745
2017	8,510	18,762	$204.79	$92.89	$1,742,759
2018	7,459	16,195	$204.16	$94.03	$1,522,828
2019	6,687	14,154	$203.41	$96.11	$1,360,320
2020	6,801	14,430	$203.82	$96.06	$1,386,174
2021	7,477	15,640	$209.17	$100.00	$1,563,960

Source: ADES , DBME , FAA.

Note: The maximum state time limit to receive monthly TANF CA benefits was reduced to 36 months effective July 2010, 24 months effective August 2011, and 12 months effective July 2017. Effective October 1, 2017 the household may be eligible for a time limit extension up to an additional 12 months, if requested, and all adult household members are in compliance with Jobs Program requirements.
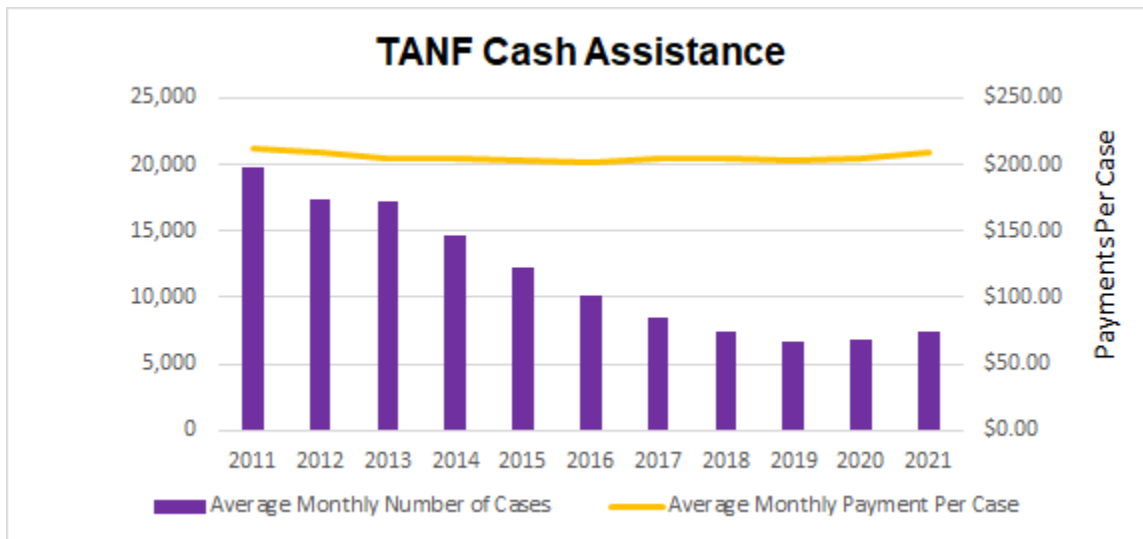
ARIZONA DEPARTMENT OF ECONOMIC SECURITY THE JOBS PROGRAM COMPARISON OF PARTICIPANTS AND PARTICIPANTS EMPLOYED FOR FISCAL YEARS ENDED JUNE 30			
YEAR	NUMBER OF PARTICIPANTS	TOTAL EMPLOYED	PERCENTAGE RETAINED EMPLOYMENT FOR AT LEAST 90 DAYS
2011	31,380	7,052	40%
2012	29,643	6,662	18%
2013	24,741	7,098	6%t
2014	22,601	5,024	75%t
2015	17,967	4,755	49%
2016	13,226	4,099	57%
2017	10,795	3,525	70%t
2018	9,005	2,897	61%
2019	7,716	2,662	56%
2020	8,010	2,456	56%
2021	6,439	1,593	63%

Source: ADES, DERS, Workforce Development Administration.
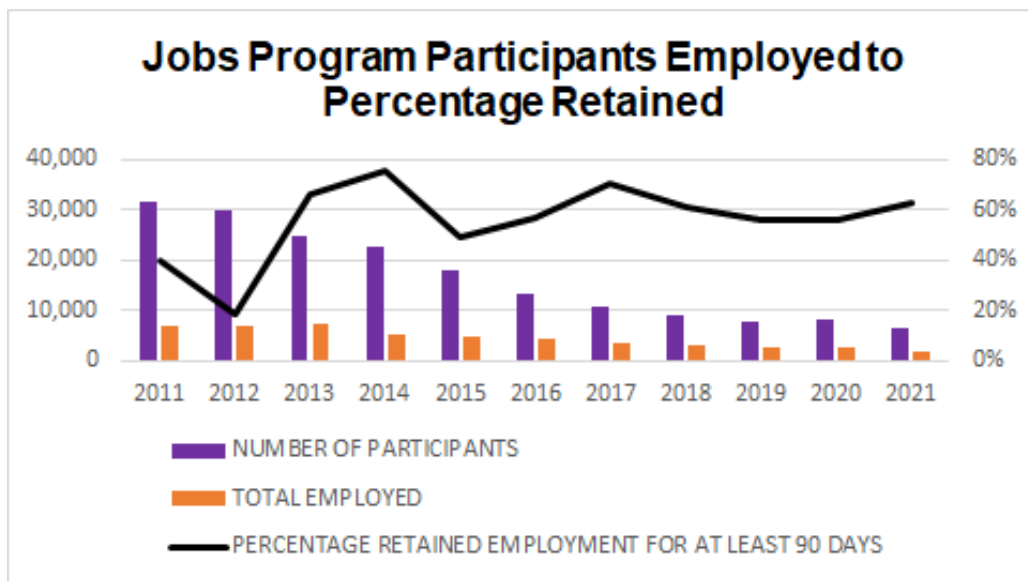
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
CHILD SUPPORT SERVICES COLLECTION
FOR FISCAL YEARS ENDED JUNE 30

YEAR	TANF COLLECTED FOR ARIZONA	TANF COLLECTED FOR OTHER STATES	NON-TANF COLLECTED FOR ARIZONA	NON-TANF COLLECTED FOR OTHER STATES	NON-IV-D COLLECTED	TOTAL COLLECTED
2011	$21,248,700	$6,757,400	$301,646,700	$29,625,500	$329,574,400	$688,852,700
2012	$19,651,800	$6,679,900	$304,956,800	$30,516,200	$340,901,500	$702,706,200
2013	$17,557,700	$6,604,800	$305,361,400	$32,124,800	$350,691,200	$712,339,900
2014	$15,890,900	$6,188,400	$302,955,000	$31,417,800	$358,270,300	$714,722,400
2015	$13,248,300	$6,001,000	$299,959,600	$30,582,700	$359,527,200	$709,318,800
2016	$11,530,200	$5,675,700	$300,488,800	$29,512,600	$354,966,800	$702,174,100
2017	$10,650,700	$5,538,900	$300,439,000	$29,812,700	$352,742,300	$699,183,600
2018	$9,935,700	$5,470,800	$298,114,500	$30,448,500	$347,491,100	$691,460,600
2019	$9,207,300	$5,363,500	$298,726,000	$30,618,500	$341,993,800	$685,909,100
2020	$19,169,600	$5,392,000	$337,763,300	$31,504,000	$333,462,600	$727,291,500
2021	$16,378,400	$5,953,000	$321,823,100	$35,553,700	$319,941,100	$699,649,300

Source: ADES, DCSS.

Child Support Services Collections (in Millions)

Legend:
- TANF Collected for Arizona
- TANF Collected for Other States
- Non-TANF Collected for Arizona
- Non-TANF Collected for Other States